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HOUSE OF COMMONS

First Session—Twenty-fourth Parliament
1958

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STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

1958

No. 1-8

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[Excluding from Report with trace]

Estimates 1958-59 of the Department of Veterans Affairs

THURSDAY, JUNE 5, 1958

THURSDAY, JUNE 19, 1958

THURSDAY, JUNE 26, 1958

WITNESSES:

Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs; Mr. F. T. Mace, Assistant deputy-minister; Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board; Mr. G. H. Parliament, Director-General, Veterans Welfare Services; Mr. C. F. Black, Superintendent, Veterans Insurance.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.,

and Messrs. .

Anderson	Herridge	Peters
Batten	Houck	Regnier
*Beech	Jung	Roberge
Benidickson	Kennedy	Robinson
Bigg	Lennard	Rogers
Broome	Lockyer	Speakman
Cardin	Macdonald (<i>Kings</i>)	Stearns
Carter	MacEwan	Stewart
Clancy	MacRae	Thomas
Denis	McIntosh	Webster
Fane	McWilliam	Weichel
Forgie	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee

*Replaced Mr. Brunsdon on June 9, 1958.



ORDERS OF REFERENCE

HOUSE OF COMMONS,

Tuesday, June 3, 1958.

Resolved,—That the following Members do compose the Standing Committee on Veterans Affairs:

Messrs.

Anderson,	Herridge,	Parizeau,
Batten,	Houck,	Peters,
Benidickson,	Jung,	Régnier,
Bigg,	Kennedy,	Roberge,
Broome,	Lennard,	Robinson,
Brunsdén,	Lockyer,	Rogers,
Cardin,	Macdonald (<i>Kings</i>),	Speakman,
Carter,	MacEwan,	Stearns,
Clancy,	MacRae,	Stewart,
Denis,	McIntosh,	Thomas,
Dinsdale,	McWilliam,	Webster,
Fane,	Montgomery,	Weichel,
Forgie,	Ormiston,	Winkler—40.
Garland,		

(Quorum 15)

Ordered,—That the Standing Committee on Veterans Affairs be empowered to examine and inquire into all such matters and things as may be referred to it by the House; and to report from time to time its observations and opinions thereon, with power to send for persons, papers and records.

Tuesday, June 3, 1958.

Ordered,—That items numbered 473 to 499, inclusive, and items numbered 517 to 520, inclusive, as listed in the Main Estimates of 1958-59; and items numbered 652 to 654, inclusive, as listed in the Supplementary Estimates for the fiscal year ending March 31st, 1959, relating to the Department of Veterans Affairs, be withdrawn from the Committee of Supply and referred to the said Committee, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

MONDAY, June 9, 1958.

Ordered,—That the name of Mr. Beech be substituted for that of Mr. Brunsdén on the said Committee.

STANDING COMMITTEE

MONDAY, June 23, 1958.

Ordered,—That the standing Committee on Veterans Affairs be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto.

Ordered,—That the said Committee be granted leave to sit while the House is sitting.

Ordered,—That the quorum of the said Committee be reduced for 15 to 10 members and that Standing Order 65 (1) (n) be suspended in relation thereto.

Attest.

LÉON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

The Standing Committee on Veterans Affairs has the honour to present its

FIRST REPORT

Your Committee recommends:

1. That it be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto.

2. That it be granted leave to sit while the House is sitting.

3. That the quorum of the Committee be reduced from 15 to 10 members and that Standing Order 65(1)(n) be suspended in relation thereto.

Respectfully submitted.
WALTER DINSDALE,
Chairman.

(The said report was concurred in on Monday, June 23, 1958.)

MINUTES OF PROCEEDINGS

House of Commons, Room 277,
THURSDAY, June 5, 1958.

The Standing Committee on Veterans Affairs met at 10:30 o'clock a.m.

Members present: Messrs. Anderson, Batten, Bendickson, Bigg, Broome, Cardin, Clancy, Fane, Forgie, Herridge, Jung, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, MacRae, McIntosh, McWilliam, Montgomery, Ormiston, Parizeau, Robinson, Rogers, Speakman, Stearns, Thomas, Webster, Winkler.

The Clerk of the Committee proceeded to attend to the election of a Chairman, whereupon Mr. Macdonald (*Kings*) moved that the election of a Chairman be deferred and that Mr. Montgomery act as Chairman during the proceedings of this day.

The proposed motion of Mr. Macdonald (*Kings*) having been put it was resolved in the affirmative unanimously.

Mr. Montgomery took the Chair.

Mr. Lennard then moved, seconded by Mr. Herridge, that the Committee adjourn. The said motion having been put, it was resolved in the affirmative.

The Committee rose.

House of Commons, Room 268,
THURSDAY, June 19, 1958.

The Standing Committee on Veterans Affairs met at 10:00 o'clock a.m.

Members present: Messrs. Anderson, Batten, Beech, Carter, Clancy, Dinsdale, Fane, Forgie, Herridge, Jung, Kennedy, Lennard, Lockyer, MacEwan, MacRae, McIntosh, McWilliam, Montgomery, Parizeau, Peters, Roberge, Robinson, Rogers, Stearns, Stewart, Thomas, Weichel, Winkler.

The Clerk of the Committee attended to the election of a Chairman.

Mr. MacRae moved, seconded by Mr. Jung, that Mr. Dinsdale be elected chairman.

No other nominations having been made, Mr. Dinsdale was declared elected and took the chair.

The Chairman thanked the Committee for the honour bestowed upon him.

On motion of Mr. Fane, seconded by Mr. McIntosh, Mr. Montgomery was elected Vice-Chairman.

Before proceeding further with the organization of the Committee, the Chairman invited the Honourable A. J. Brooks, Minister of Veterans Affairs to address the Committee. The Minister announced that in addition to the Estimates of his Department which were referred to the Committee for study and report, three bills would be referred to the Committee.

STANDING COMMITTEE

The Chairman thanked the Minister for his brief address, and the Committee proceeded further with its organization.

On motion of Mr. Lennard, seconded by Mr. Winkler,

Resolved: That the Committee ask leave to sit while the House is sitting.

On motion of Mr. Montgomery, seconded by Mr. Carter,

Resolved: That the quorum of the Committee be reduced from 15 to 10 members and that Standing Order 65(1)(n) be suspended in relation thereto.

On motion of Mr. Rogers, seconded by Mr. Clancy,

Resolved: That the Chairman, Vice-Chairman, and six other members, to be named by the Chairman, act as a Committee on Agenda and Procedure.

On motion of Mr. McIntosh, seconded by Mr. Fane,

Resolved: That the Committee be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto.

On motion of Mr. Herridge, seconded by Mr. MacEwan,

Resolved: That steps be taken to supply each member of the Committee with copies of all veterans legislation now in force.

At 10:35 o'clock a.m. the Committee adjourned to the call of the Chair.

Room 268, House of Commons,

THURSDAY, June 26, 1958.

The Standing Committee on Veterans Affairs met at 10:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Anderson, Beech, Bigg, Broome, Carter, Clancy, Dinsdale, Fane, Forgie, Herridge, Jung, Kennedy, Lockyer, Macdonald (*Kings*), MacRae, McIntosh, McWilliam, Montgomery, Ormiston, Parizeau, Peters, Regnier, Roberge, Robinson, Rogers, Speakman, Sterns, Thomas, Winkler.

In attendance: The Honourable A. J. Brooks, Minister of Veterans Affairs, and Messrs. L. Lalonde, Deputy Minister; F. T. Mace, Assistant Deputy Minister; L. A. Mutch, Deputy Chairman, Canadian Pension Commission; F. J. G. Garneau, Chairman, War Veterans Allowance Board; G. H. Parliament, Director-General, Veterans Welfare Services; F. L. Barrow, Departmental Secretary, J. G. Bowland, Chief, Research and Statistics, C. F. Black, Superintendent, Veterans Insurance.

On motion of Mr. Montgomery, seconded by Mr. Thomas.

Ordered: That pursuant to the Order of Reference of June 23, 1958, the Committee, until further order, print from day to day, 750 copies in English and 250 copies in French of its Minutes of Proceedings and Evidence.

The chairman invited the Honourable A. J. Brooks, Minister of Veterans Affairs, to address the Committee.

Mr. Brooks welcomed the members of the Committee and introduced the officials of his Department. At the conclusion of his brief address the Chairman thanked the Minister for his attendance.

The Chairman then announced the appointment of the Committee on Agenda and Procedure composed of the following Members: Messrs. Dinsdale, Montgomery, Lennard, Kennedy, Rogers, Forgie, Cardin and Herridge.

He informed the Committee that the Subcommittee on Agenda and Procedure had met already and decided that until further orders sittings of

the Committee would be held on Mondays and Thursdays and that the first order of business would be consideration of the Estimates of the Department of Veterans Affairs.

The Committee then proceeded to consideration of the Estimates.

Mr. Lalonde was called and he supplied each Member of the Committee with (a) a chart showing the Head Office Organization and (b) A list of the Department of Veterans Affairs District Offices and also a list of the Veterans Land Act District and Regional Offices.

Mr. Lalonde was questioned at length on the administration of the Department.

Item 473 was then allowed to stand.

Item 474 was called. After consideration thereof the said item was approved.

Item 475 was called. Mr. Parliament and Mr. Lalonde were questioned thereon. After which the said item was approved.

Items 476 to 481 inclusive were allowed to stand.

Item 482 was called. Mr. C. F. Black, Superintendent of Veterans Insurance, was questioned thereon. After consideration thereof the said item was approved.

Item 498 was called. Mr. Parliament and Mr. Lalonde answered a few questions thereon.

At 12:35 o'clock p.m. the Committee adjourned until 3:30 o'clock p.m. this day.

AFTERNOON SITTING

The Committee resumed at 3:30 o'clock p.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Beech, Benidickson, Broome, Denis, Dinsdale, Forge, Herridge, Jung, Kennedy, Lockyer, MacEwan, MacRae, McIntosh, McWilliam, Ormiston, Parizeau, Regnier, Roberge, Robinson, Rogers, Speakman, Sterns, Winkler.

In attendance: All officials of the Department of Veterans Affairs and of the Pension Commission listed in attendance at the morning sitting with, in addition, Messrs. T. J. Rutherford, Director, Veterans Land Administration; A. D. McCracken, Senior Administrative Officer, Veterans Land Act; J. G. Falardeau, Chief Treasury Officer, Veterans Land Act.

The Committee resumed consideration of the Estimates of the Department of Veterans Affairs.

Consideration of item 498 was continued. Mr. Parliament gave answers to questions thereon asked at the morning sitting. Whereafter the said item was approved.

Items 517 and 518 were called and were considered with Mr. Parliament and Mr. Mace under questioning. The said items were finally approved.

Items 481, 483 and 484 were called and severally considered. Mr. Garneau and Mr. Lalonde were questioned during consideration of the said items which were finally approved.

Item 485 stood over.

Items 486, 487 and 488 were called. Mr. Lalonde was questioned during consideration of the said items which were finally approved.

At 5:15 o'clock p.m. the Committee adjourned to meet again at 10:30 o'clock a.m. on Thursday, July 3rd.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

THURSDAY,
JUNE 26, 1958.
10 a.m.

The CHAIRMAN: Gentlemen, we have a quorum, so I think we shall proceed immediately.

Before making any preliminary statements, let me say that we are fortunate in having the minister with us this morning. He is on leave of absence momentarily from a very important meeting so we shall dispense with some of the necessary preliminaries for the moment to hear from the minister.

However, first of all we must have a motion to authorize the number of copies of the printed record.

Mr. MONTGOMERY: Mr. Chairman, seconded by Mr. Thomas I move that, pursuant to the order of reference of June 23, 1958, the committee, until further order, shall print from day to day 750 copies in English and 250 copies in French of its minutes, proceedings and evidence.

The CHAIRMAN: We have the motion, is there any discussion? All in favour? Those contrary minded, if any? I declare the motion approved.

Now, at this time Mr. Brooks will give us a short statement and introduce the officials of his department who are with us this morning. If you please, Mr. Minister.

Hon. ALFRED JOHNSON BROOKS (*Minister of Veterans Affairs*): Mr. Chairman and gentlemen, first of all I must apologize for always seeming to be in a hurry when I come to my own committee. But there is a very important meeting this morning of the cabinet and I left it to come here.

First I want to welcome the members of this committee. I did so the other day so you will be twice welcomed or even thrice welcomed this morning.

I explained when I was before the committee a few days ago the work that we would probably have for the committee at this session.

First, I stated this would comprise the estimates. They have already been referred to this committee on veterans affairs. After that, there will be certain bills referred to the committee.

Our legislation will not be particularly extensive this year or at this session. We had expected that the session would not be too long and there would not be time to discuss a great many matters of legislation.

As you will notice on the order paper, there are a couple of resolutions at the present time. One deals with the Veterans Insurance Act which is the insurance act of course for the second world war veterans, the Koreans and others. Also there will be some amendments to the Returned Soldiers' Insurance Act which was the insurance act for the first war veterans. These will probably be before the committee within a very short time.

I hope also to have another bill which has to do with education for the children of the war dead. It has not been altogether decided on yet, that is, as to the particulars of the bill. But we hope to have it before the committee at a later date.

Now, we are very fortunate, I think, in having so many of the officials from the department able to attend these meetings. As a matter of fact we are very anxious that the committee receive all the information it can possibly get regarding the department.

Many of our members are new here and have not had the experience of some of the older members. In looking around I see there are very few of the older members of veterans committees here. I see a few who were with us in days gone by, but most of the others have fallen by the wayside and they are not with us.

We had some very able men on those committees in the past and it was through their efforts—regardless of party—that I think our veterans legislation in Canada is as good as it is.

We also had the assistance of the different veterans organizations and, as new members, you will have the pleasure of meeting them. They helped the committee and the governments considerably in the past in preparing legislation for veterans.

Without any more ado, gentlemen, I would like to introduce to you the members of the department who are here and I would ask them to stand up if they will, please. First we have Mr. L. Lalonde, our Deputy Minister of Veterans Affairs.

Next we have our Assistant Deputy Minister, Mr. F. T. Mace. Then the deputy chairman of The Canadian Pension Commission, Mr. L. A. Mutch. I might say that the chairman, Brigadier Melville, is away for a few days and he is not here. But he will be represented by Mr. Mutch, the deputy chairman. Mr. Mutch was chairman of the Veterans Affairs Committee in the House of Commons for a good number of years and he is very well acquainted with all veterans legislation.

Mr. HERRIDGE: That is why he voted absentmindedly on the previous resolution.

Mr. BROOKS: I never could understand his votes so I cannot try to explain them. We can agree on most things but we never could agree when it came to a vote.

Then we have Mr. F. J. G. Garneau, chairman of the War Veterans Allowance Board who is here to give us information on war veterans allowance which is a very important part of our legislation as you know.

Next we have Mr. G. H. Parliament, director-general of veterans welfare services, a most important position in the department.

Then we have Mr. F. L. Barrow, our departmental secretary who is a sort of man of many parts and who knows considerable about all the different branches of the service.

Next we have Mr. J. G. Bowland, chief of research and statistics.

Finally, we have Mr. C. F. Black, superintendent of veterans insurance. Mr. Black will assist us with the bills and also with the estimates.

Now, gentlemen, again with my apologies, I shall leave you to the tender mercies of the chairman. I wish you every success and I hope to attend this committee as much as possible. I certainly shall. Good luck to you all and thank you very much.

The CHAIRMAN: Thank you, very kindly, Mr. Minister for those words of advice. We shall now proceed to consider the business before us.

As the minister has indicated, the first "referral" to the committee is the departmental estimates. On Friday last the steering committee which is made up of myself, and Messrs. Montgomery, Kennedy, Rogers, Lennard, Herridge, Forgie and Cardin met, to draw up a plan that we can follow in the deliberations of the committee.

The first suggestion produced by the steering committee was that we should try to meet each week on Mondays and Thursdays. That would be the program to begin with; and then as the pressure of work increased, we might increase the number of our sittings.

In reference to the permission that was given to us to sit at the same time as the house, we shall use it with discretion. That also was indicated. But where possible, particularly during the period when we are considering estimates, we hope to be able to have afternoon sittings of this committee.

At the end of the deliberations today that is a point that we might consider. In reference to the activities today when the budget debate is proceeding in the House of Commons, it might be possible for this committee to sit at the same time.

The first item of business as I have indicated is our estimates to be followed by the legislative amendments so we shall now proceed to the consideration of the estimates.

You have an orders of the day memorandum, and in it I want to make a slight correction. You have the memo before you. It states that the items to be considered will be found on pages 85 to 88 inclusive, and also on pages 93 and 94—the latter is an addition to the memorandum that was circulated—in the book of estimates for the current fiscal year, the details of which are to be found on pages 597 to 619 inclusive.

Then there are also supplementary estimates. The veterans affairs items appear on pages 13 and 14 of the supplementary estimates.

Now I shall crave the indulgence of the committee if I may to have some of these items stand because of the fact we have not some of our officials here. The Chairman of the Pensions Commission, Brigadier Melville, is not able to be with us. I think it would be in the best interests if we stood the items relating to the activities of the pension commission until Brigadier Melville can be with us.

In addition Dr. Crawford the Director of Treatment Services is not here today. I think it would be helpful if we could agree to stand over any items relating to treatment services.

Then we have the battery of experts introduced by the minister who are in a very excellent position to provide us with all the necessary background information. At this time I take pleasure in calling upon our deputy minister, Mr. Lalonde.

MR. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): Mr. Chairman and gentlemen, I would like to echo the words of the minister on behalf of the departmental officials.

We consider it a privilege to appear again before a parliamentary committee and to do our very best to supply you with the information which you will require in the course of your deliberations.

We have tried to gather all the information we have on all subjects pertaining to the department. But I ask for your indulgence if by any chance we are not able to give you certain statistics or to give you a reply to a certain question immediately. If that should happen, we shall be very glad to dig a little deeper into the mass of figures which our director of research and statistics has in order to provide the answer for you at a subsequent meeting.

I might add that, as far as the officials are concerned, we are also very pleased to have the opportunity to appear before this committee because we feel it will give us a chance to meet a lot of the new members of parliament who are veterans, like ourselves, and to get acquainted with them a little better and perhaps make it easier in the future to deal with each other on some of the problems which concern veterans and with which, I am sure, you will be seized from time to time.

Before we go to the first item in the estimates, I thought it might be useful if I took a few minutes of your time to explain the organization of the department.

In order to do that, perhaps in a more comprehensive way, I would like to distribute a chart showing the organization of the department both at head office and in the field, because the items in the estimates are so arranged that each vote deals with a specific aspect of the work of the department affecting a specific group in the organization.

There are two forms which have just been handed to you. The first one shows the head office organization. The second one shows the list of our D.V.A. district offices and also a list of the Veterans Land Act district and regional offices.

The reason we did not give you a chart for the district organizations is that they are patterned after the head office organization on a smaller scale. So that once you have the organization at head office, this pattern is repeated in each district office.

If you look at the chart for the head office organization you will see that it is divided into three parts. The first part on the left-hand side at the top of the page, shows the Canadian Pension Commission and the War Veterans Allowance Board which, as you know, are quasi judicial bodies, independent as far as their decisions are concerned, but reporting to parliament through the minister.

From the administrative standpoint however, the department, in order to avoid duplication, provides administrative services to the Pension Commission and to the War Veterans Allowance Board. But since they are separate units, they will be dealt with in separate votes in the estimates.

Then the second part, on the left-hand side of the page again, is the block comprising what I call the administration of the department; the deputy minister, the assistant deputy minister, the departmental secretary, the chief executive assistant, information services, methods and inspection; and then the four directorates, personnel, finance, engineering, and legal.

This block is what we call departmental administration and is dealt with under one vote in the estimates. So when we deal with vote 473 it covers this group.

The third group shown on the chart is what we call the branches. There are four branches in the department, all of them providing one type of service to the veterans.

The first branch is the treatment services branch. The second one is the Veterans' Land Act. The third is the welfare services branch, while the fourth is the veterans bureau with which I am sure you are familiar.

These four branches are covered by separate votes so that if you relate the chart to the estimates the administrative block is under one vote, but everything else is under separate votes. I wonder if there are any questions?

The CHAIRMAN: Have we any questions at this stage?

Mr. HERRIDGE: I forgot to congratulate you, Mr. Chairman, on your appointment. You have mounted another rung in the ladder of your ambition.

I notice here that there is an Atlantic region which includes the maritime provinces, and a western region. But there is no mention made of a Pacific region. Do you not think it should be more properly called "Pacific and western region"? Does it not rather minimize British Columbia?

The CHAIRMAN: Particularly in its centennial year?

Mr. HERRIDGE: Yes.

Mr. LALONDE: The answer is that we did not know how Alberta would feel about being called a Pacific province.

Mr. HERRIDGE: I suggested the title of "Pacific and western region".

Mr. McINTOSH: Would it be too much trouble to give us the names of the heads of these different branches so that we may write them down in the blocks beginning with the minister.

Mr. LALONDE: First, we have the deputy minister, Lalonde,—the assistant deputy minister, Mr. F. T. Mace; the chairman of the Canadian Pension Commission, Mr. Melville; the chairman of the War Veterans Allowance Board, Mr. F. J. C. Garneau; the departmental secretary, Mr. F. L. Barrow; the chief executive assistant, Mr. Dixon; information services, Mr. Way; methods and inspection, Mr. Laframboise; director of personnel, Mr. McCullough; director of finance, Mr. Walsh; director of engineering, Mr. Davison; director of legal services, Mr. Gunn; treatment services branch, Dr. Crawford; director of Veterans' Land Act, Mr. Rutherford; director of welfare services branch, Mr. Parliament.

Mr. CARTER: Does this chart indicate that the Canadian Pensions Commission has direct access to the minister, but the war veterans allowance board has not. Is that right?

Mr. LALONDE: They have, but because the War Veterans Allowance Board has been decentralized to the district authorities, the deputy minister is responsible for the employees appointed to the district authorities. So, the chairman of the board and the deputy minister act very closely in everything that is related to the Act, and we usually go to see the minister together. So he represents the board itself and I represent the employees who are members of the district authorities.

Mr. CARTER: Would that put the War Veterans Allowance Board on the same footing as the Pension Commission?

Mr. LALONDE: They have a separate act and their legal status is given to them by the War Veterans Allowance Act. This is just for the purpose of administrative convenience in the department. But we are very good friends.

Then we have the veterans bureau. The chief pensions advocate is Mr. Reynolds.

The CHAIRMAN: Does that complete that piece of information?

Mr. LALONDE: Yes.

Mr. HERRIDGE: Could you describe to the members of the committee how the various branches are decentralized and the administration in the various regions.

Mr. LALONDE: To describe this, Mr. Herridge, I think that I would have to take each group separately. Of course, the chairman of the pension commission will deal with the commission when he is here. I referred a moment ago, briefly, to the district authorities. The original decision on an application for war veterans allowance by a veteran or a widow is dealt with in the district.

About six years ago all applications for war veterans allowances were referred to Ottawa where they were adjudicated upon by the central board. It was in 1950 that the change was made. This we found took quite a bit of time, especially when dealing with far-away provinces.

For example, the processing of an application from Vancouver to Ottawa, and then the correspondence that ensued between the board and the district all resulted in what we thought were delays that should be curtailed if at all possible. It was then decided to decentralize the original adjudication and the act was amended to that effect.

Now, the application of a veteran or the widow of a veteran goes to the district office where they live. There is no delay.

There is a replica of the board called the district authority, empowered to hear that application and to look at the details of the application to see if it comes under the terms of the War Veterans Allowance Act. They make the

original decision. They can either grant the allowance for the amount to which the applicant is entitled or they can refuse it on the ground that the veteran or the widow is not eligible.

After they have done this they notify the veteran immediately, either that the allowance has been approved or that it has been rejected.

The applicant, if his application has been rejected, has the right in each case to appeal to the board in Ottawa and, as you will see when we get to the board's estimates, they hear a number of appeals each year. The board still lays down the policy that the district authorities will follow in dealing with applications. They are responsible for making sure that there is uniformity of interpretation of the act and regulations. We have reduced from three months to one month the average time which is used to take to deal with an application. So than an applicant who is in need of money will get his cheque, if he is eligible, within a month of the date he applied for it, retroactive from the date of application. The will not have to wait two or three months before he gets some money. Does that answer your question so far as the board is concerned?

Mr. HERRIDGE: Yes.

Mr. STEARNS: What is the situation when a veteran is not satisfied with his pension and he thinks that it should be re-examined for a higher pension?

Mr. LALONDE: You are dealing with pensions.

Mr. STEARNS: No, I do not want to bother the Ottawa branch, these should be directed in the first place to a local district branch. I just want to know where these requests should be directed—should they come here to Ottawa or to our local district branch.

Mr. LALONDE: A distinction must be made under the pension act. Where a veteran claims he has a disability or invalidity resulting from service, this is dealt with by the pension commission. I have nothing whatsoever to do with that. This is where Mr. Melville and Mr. Mutch come into the picture. They have a completely different set-up. It is their own show and they have their own procedure. All we do is supply them with personnel and accommodation.

The allowance which is administered by the board is decentralized. The pension awards are not decentralized. If you have any query about war veterans allowances it should go to the district in which the applicant resides. If they cannot supply the answer they then refer it to Ottawa. It may be that sometimes you will not be satisfied with a decision of a local authority. Then you should take it up with the chairman of the board directly in Ottawa.

Mr. HERRIDGE: I appreciate what has been explained to us. I have this in mind. Could we get the details of the administration of each branch? Could you give the committee an over-all explanation of the officials in each region, taking them one by one.

Mr. LALONDE: The organization?

Mr. HERRIDGE: Yes, so that members may know where to go. For instance, I have had persons say to me, "Who represents the Veterans Land Act in British Columbia?" and "Where is his office?" "Whom should I go to?"—and all that sort of thing.

Mr. LALONDE: I misunderstood your first question, Mr. Herridge. If you look at the list that we gave you you will see that the department in the field is divided into five regions. In each region there is a regional administrator who is the direct representative of the deputy minister in that region. He is actually responsible for the administration of that whole area, except of course for the pension commission. Every time I talk about departmental organization, the pension commission does not come into that. But, he is responsible for everything else.

Then under him he has—we will take for instance the Atlantic region—four district administrators; one in Newfoundland, one in Prince Edward Island, one in Nova Scotia and one in New Brunswick.

At the same time, in each of those districts, there is another man, a medical man, called the senior treatment medical officer. So that, under the regional administrator, you have in each district a district administrator looking after the administration of that district and a senior treatment medical officer responsible for the treatment in that district.

We either have a departmental hospital or a pavilion or some other arrangements in each district for the hospitalization of veterans. Both the district administrator and the senior treatment medical officer are responsible directly to the regional administrator for their respective duties in each district.

Under the district administrator there is a superintendent of welfare and a pension advocate and personnel officer. These are representatives of the various people shown on the head office chart—a representative of finance whom we call the budget control officer, and we also have a representative of engineering. There are also departmental solicitors in each district representing legal services.

In addition to that, the Veterans' Land Act is set up within the region with different district offices; the reason being that it has been found practical to have one Veterans Land Act district office, by province. While the other branches work by areas for their district office, the Veterans Land Act works by provincial boundaries and that is obviously because, while they are governed by a federal statute, they are dealing with real estate. They also have to take into account provincial laws concerning real estate and real estate transactions.

That is why we have shown on this list the Veterans Land Act district and regional offices separately. We have shown the regional offices because, as far as members of parliament are concerned, if there is a local problem to be dealt with, you may have a regional office with a regional supervisor right in your constituency. This would be the quickest way to take up a problem in your constituency—by going through the regional office first; because you may be sure that they will be familiar with that particular problem.

Of course, if you are not satisfied with the answer you get there you can go straight to the head office. For your convenience these regional offices may be located close to your own headquarters, and that is why we felt that you should have the addresses. Does that answer your question?

Mr. HERRIDGE: I might mention that while I was not underestimating the intelligence of the committee, there is a certain value in this explanation for the hundreds of Legion members who will receive these minutes. I think it is wise and good for the members as far as possible to have an idea of how the department functions generally.

Mr. MACDONALD (*Kings*): I wonder if the deputy minister could give us a run-down of the functions of the veterans bureau?

Mr. LALONDE: The veterans bureau is comparable with a lawyer's office. It is composed of a group of advocates who are available to all veterans, to represent them in presenting their cases before the pension commission.

They are available at no cost whatsoever and they are completely independent of the Canadian Pension Commission. You will note that I said a moment ago that the Canadian Pension Commission had nothing to do with the department. Well, by the same token, the veterans bureau, being under the deputy minister, has nothing to do with the pension commission. They do a great deal of work together. They must, because they are dealing with the

same problems, but they are entirely independent of the commission itself. They are somewhat in the position of a lawyer who would be engaged by a veteran at a fee to plead his case if he were arraigned before the courts or if he was before the civil courts; the only difference being that the veteran, the client, is not charged anything.

So every time a veteran feels that he has a claim for pension or that his pension should be increased, or has an application which he wants to present for adjudication by the pension commission, the veterans bureau is at his disposal at any time.

Mr. CARTER: Is the pensions advocate part of the veterans bureau?

Mr. LALONDE: We call the individual lawyers pensions advocates, to distinguish them from the departmental solicitors who are in the directorate of legal services.

Mr. CARTER: Does he report his activities to the veterans bureau?

Mr. LALONDE: Perhaps you might direct your questions to Mr. Reynolds, who is the chief pensions advocate.

Mr. MACDONALD (*Kings*): Is that service available in all the district offices?

Mr. LALONDE: It is, sir.

Mr. MACDONALD (*Kings*): I do not think that the veterans in our area know of those additional services.

Mr. LALONDE: In what area?

Mr. MACDONALD (*Kings*): I do not think that a lot of veterans in my area know that that service is available, other than the pensions advocate.

Mr. LOCKYER: That is a question I was coming to. I do not think that many veterans know that this service is available.

Mr. LALONDE: Perhaps the answer to this question could be confirmed by the deputy chairman of the pension commission. Practically all of the applications for pension are presented through the veterans bureau.

Mr. MUTCH (*Deputy Chairman, Canadian Pension Commission*): The majority are presented through the veterans bureau, and counsel whom you describe are advocates. They are the people you are talking about and who appear before us.

Mr. KENNEDY: How broad is the service of the veterans bureau? Are the services of the veterans bureau confined only to pensions?

Mr. LALONDE: It pertains to applicants for pensions only.

Mr. MONTGOMERY: It does not require legal services for veterans in any field.

Mr. LALONDE: No, just for pension purposes.

Mr. BROOME: Where is the appeal board shown in this chart?

Mr. LALONDE: The appeal board for pensions is part of the Canadian Pension Commission.

Mr. BROOME: It is part and parcel of the pensions commission.

Mr. LALONDE: That is right, sir.

Mr. BROOME: So the pensions commission appeal board refer it to themselves?

Mr. THOMAS: There has been in my mind a certain amount of confusion as to the status of these pension advocates. Some feel that they are serving the pension commission. Others feel that they are chosen by the Canadian Legion to represent the interests of the veterans only. Now, I wonder if the deputy minister could comment on that fully. Who pays the pensions advocate? Is there any control or influence over them exerted by local veterans' associations or are those pensions advocates paid and controlled by the pensions board?

Mr. LALONDE: To answer the first part of your question, sir: The Canadian Pension Commission has absolutely no control over the pensions advocate. The pension commission's relationship to that of the pensions advocate is the same as that of a judge to the lawyer before him. The judge of course has the last say. He renders the judgment, and the advocate pleading before him is in no way responsible to the judge and can put forward any evidence which he feels is pertinent to the case.

So that the answer to the first question is no. The pension commission has no control over the pensions advocate. They come under the deputy minister's jurisdiction; and I can assure you that I watch very carefully this very thing, because I have made it clear to veterans organizations when I have spoken to them, that this is one thing that is absolutely essential, that the pensions advocate retain his identity as a lawyer when he is presenting a case.

The answer to the second question is that they are chosen under civil service regulations in either open or promotional competition conducted by the department—by that I mean by the deputy minister and his staff. The pension commission has nothing to do with the conduct of the competition to select pensions advocates.

Mr. WINKLER: I think, Mr. Chairman, that a lot of confusion enters the question in regard to the smaller region branches, where they appoint their own advocate, having nothing to do with the department and thereby confusing a number of veterans. In many cases the veterans do not know the true function of the advocate of department.

Mr. LALONDE: You are right, Mr. Winkler. Those people are what we call service officers of the Legion. They are not pensions advocates. In some cases they have not the qualifications required to argue a case before a court, which an appeal board of the pension commission actually is. However, in those cases the service officers work through our pensions advocate, when the time comes to present the case to the commission. They may start the ball rolling on the application for pension, but eventually, before the case is argued in front of the appeal board, they come to us and say, "Will you carry on from here?" That has been our experience.

Mr. WINKLER: I think maybe this is a point which might confuse some members. Requests may come to them from legion branches that are not clear and as a result they work to the detriment of the veteran rather than to his advantage.

Mr. LALONDE: No, I do not think it works to the detriment of the veteran, because if eventually the pensions advocate handles the case, and feels that it was not well prepared in the first place, he will take the time to prepare a new summary of evidence that is acceptable to him. On the other hand, we in the department do not think we should discourage those service officers from bringing cases forward.

Mr. HERRIDGE: They do a good job.

Mr. LALONDE: Yes, they do a good job.

Mr. BEECH: I would hate to think that the legion was spending all this money on these service officers if they were not qualified.

Mr. LALONDE: They are not lawyers. They are well qualified service officers.

Mr. BEECH: There is one difference which should be pointed out. The legion service officer deals with all problems whereas the veterans bureau officer deals only with pensions.

Mr. LALONDE: That is quite correct.

Mr. MACDONALD (*Kings*): I wonder if I can explain the legion angle of it. The legion maintains a service bureau at their Dominion headquarters and the provincial command of the Ontario legion maintains a service bureau of its own at its provincial headquarters. Now that service bureau is maintained practically out of the poppy fund and obtains direct contributions from the government. That is in recognition of the fact that the legion branch must do a great deal of service in preparation of its work for pensioners.

I think we all realize that these legion branches cover practically the whole of the country, and these branch service officers who are naturally not lawyers in many cases and sometimes not too well qualified, but are usually the best well qualified men in the branch, do an outstanding service on behalf of the veteran.

For example in our own province we have one pensions advocate. He could not begin to handle all the problems in our province without the service bureau at legion headquarters. There is no conflict between the work of the service bureau of the legion and that carried out by the pensions advocate. There is a little confusion in the minds of some members of the committee with regard to how they function, but it is a full service provided by the legion. It is for the veterans. I know that the department appreciates the work that has been done through the service bureau, because they are covering large areas in the country where the legion branches are some distance from the veterans affairs offices and getting information out to them and doing work that would not ordinarily be done. It should also be pointed out that there is no conflict between the work of this service bureau of the legion and that of the pensions advocate of the Department of Veterans Affairs.

In a number of cases the various service offices send their pension cases directly to the dominion command service bureau and they present them directly to the pension commission or to the War Veterans Allowance Board. I would just like to point that out.

Mr. LALONDE: Mr. Chairman, I hope that I have not left the impression with the committee that the department felt the service officers of the legion were not necessary.

Mr. HERRIDGE: You did not by any means.

Mr. LALONDE: We work very closely with the service officers, not only at headquarters, but our district people also work very closely with the service officers in the field. So that I do not want to leave any wrong impression. As a matter of fact, Mr. Thompson, the chief of the legion service bureau, and Mr. Reynolds, are practically in each others hair all the time.

Mr. THOMAS: There is one part of my question that was not answered. It may have been answered indirectly but not directly. Who pays these pensions advocates? They are, I understand, servants of the Department of Veterans Affairs.

Mr. LALONDE: They are paid through a special vote coming under the administration of the department itself; a vote for which I am responsible. They are paid by the taxpayer.

Mr. MACDONALD (*Kings*): Are these services free to all veterans?

Mr. LALONDE: That is right, sir.

Mr. THOMAS: Some confusion arises from the fact that these departmental officials are known as pension advocates. The same term is used to describe the local officials who are chosen by the local veterans association.

Mr. LALONDE: Yes, you may be quite right there, except we do not have any control over the term that the legion or other organizations use to designate

their service officers. As far as we are concerned, we look upon them as service officers, but perhaps they like the title of "pensions advocate" better, and of course we have no control over that.

Mr. ROBERGE: Are these lawyers full time employees of the department?

Mr. LALONDE: In all the large districts, they are.

Mr. ROBERGE: Of course, if they are lawyers, they are members of the bar.

Mr. LALONDE: In Charlottetown, because the volume of work for the pensions advocate is rather small, we have a part time lawyer who gives us one half of his time. He works as a pensions advocate every morning, and he has his own law office to which he goes in the afternoon. The same situation applies to North Bay.

Mr. ROBERGE: It might be of interest to the committee as well as to all members if a chart could be prepared with the names of the lawyers for each district. Would it be possible?

The CHAIRMAN: At this point might we not leave some of the details concerning the veterans bureau activities to Brigadier Reynolds when he appears before the committee?

Mr. LALONDE: It would be fairly easy to provide you with a list of the lawyers.

Mr. ROBERGE: It might be of benefit to the members of the committee as well as to all members of the house.

Mr. HERRIDGE: I would like to have the details of administration with respect to each branch.

The CHAIRMAN: What the deputy minister is trying to do is to give a general survey of departmental organization. We are now under item 473, so may we not make our questions of a general nature at this time and delay our various enquiries until the officials of the respective branches are before us. It think that would be more helpful.

Mr. ROBERGE: Do these lawyers have access to the files of the applicants or must they work in the dark like defence lawyers?

Mr. LALONDE: No. They very definitely have access to the files because they are departmental employees.

Mr. McINTOSH: With respect to administration, suppose we have a problem relating to the War Graves Commission, or to the Army Benevolent Fund. To which branch would we refer it? I see no headings here for them.

The CHAIRMAN: We shall be considering the items under their respective titles.

Mr. McINTOSH: Which branch handles these matters?

Mr. LALONDE: They are not under any branch; they are not part of the department. The Army Benevolent Fund is handled by a board which is independent of the department.

Mr. McINTOSH: I notice an item in your estimates for Imperial Benevolent Fund; that comes under your department evidently?

Mr. LALONDE: Do you not mean the Army Benevolent Fund?

Mr. McINTOSH: And what about the Imperial War Graves Commission?

Mr. LALONDE: Yes, that is for the payment of Canada's share of the cost of the work of the War Graves Commission; but they have no employees in the department.

Mr. McINTOSH: Which department handles these things?

Mr. LALONDE: The directorate of finance provides the money.

Mr. BROOME: If we are going to browse around every item we shall be getting no place. I suggest that the questions be restricted to item 473.

Mr. McINTOSH: My question had to do with administration, Mr. Chairman.

Mr. HERRIDGE: The new "broom" is sweeping very cleanly.

The CHAIRMAN: Shall we proceed?

Mr. LALONDE: Actually, vote 473 covers the deputy minister's office and these groups on the left hand side of the chart to which I referred previously, administrative directorates and the departmental secretary's office. These are the people who provide the administrative services to all the branches in the department.

Mr. SPEAKMAN: I would like to ask the deputy minister a question because it deals with something which has always given me concern. I would like to have it explained to me why the Pensions Commission is an autonomy of its own. Why are they not responsible to the department in all matters?

Mr. LALONDE: This of course is a matter of government policy and I should prefer to wait for the chairman of the Pension Commission who has been made responsible for the administration of the pension act by parliament to give an answer to that question.

Mr. SPEAKMAN: I do not want to be told about the administration of the act because I have had some considerable dealing with it through my work. But I do want to know why this Pension Commission has been divorced almost entirely from the department.

Mr. LALONDE: As a matter of fact the Pension Commission existed before the department existed. It was formed by an act of parliament in 1919.

Mr. SPEAKMAN: But do they still remain a part of the department?

Mr. LALONDE: They report to parliament through the same minister. That is all.

Mr. ORMISTON: I would like to make the observation that it is obvious from the correspondence we receive that many veterans are not aware of the beneficial services which are listed here. Whether it is due to the fault of the offices of the legion or other administrative offices, the information certainly is not being disseminated properly.

Mr. LALONDE: Are you referring to any specific service or to the whole thing?

Mr. ORMISTON: I refer more or less to the services rendered by the veterans bureau.

Mr. LALONDE: It is hard to say. I was under the impression—

Mr. ORMISTON: In view of the correspondence which many of us are receiving, I said.

Mr. LALONDE: I am surprised to hear that. Of course, whenever a veteran comes to the department with a pension problem, whether he comes to a welfare officer or to someone under the Veterans Land Act, that veteran is immediately told to go and see a pensions advocate. They do that all the time.

A pension claim is the one thing that our welfare officers will not handle themselves. They turn it over to the pensions advocates because they are the experts.

I am surprised to hear that there would be many veterans who would not know about this. I have very very seldom heard of any veteran presenting a claim to the Pension Commission and using the services of an outside lawyer because he did not know that the pensions advocates were available free.

I have seen cases where a veteran might prefer to employ Mr. so and so as his lawyer and was willing to pay him. That is his privilege. But I have

never heard of a case where it happened because the veteran did not know he could have the services of a lawyer without charge. I am quite surprised to hear it.

Mr. MONTGOMERY: I wonder if these were cases where the veterans were not members of the legion but were living out in a back district. I know occasionally you will run into someone who thinks he should be getting a pension and he does not know where to go to take it up. But it does not take very long before he finds somebody who is able to direct him.

The CHAIRMAN: His member of parliament is usually helpful in that respect.

Mr. ROBINSON: At our regional office in London we receive 100 per cent in the way of service. It boils down to the fact that the officers in that office attend all the legion district meetings and are always represented there and they keep in touch with the administrative part of it.

Mr. BEECH: I wonder if there have not been some changes in the numbers in the different brackets here? I see there is a decrease of two in the total. Are veterans claims decreasing or remaining about the same, or how do you find them?

Mr. LALONDE: Generally speaking we feel that for the last four years the work of the department has levelled off, and it is pretty constant now. But aspects of the work change.

Some of the work that we used to do in connection with university training or veterans benefits following world war two has gone down but the work relating to war veterans allowances has increased.

But when you balance all these factors, the workload is pretty constant and we feel it will remain that way for at least another seven to ten years.

Then we may have to take another look for the period in between, because the world war one veterans will mostly have disappeared, while the world war two veterans will be getting a little older.

Mr. HERRIDGE: I do not like that remark about our disappearing.

Mr. LALONDE: I think I said that ten years from now it would be "mostly".

The CHAIRMAN: They just fade away.

Mr. LOCKYER: The question I was about to ask was to follow up with the general knowledge of the veterans bureau. I am getting letters from veterans, not so much by way of complaint, but by way of enquiry, as to delays. For instance, they appear before a board and then there is probably a period of three or four months which elapses when they do not hear. I wondered if they knew there was a pensions advocate why they would not go to the advocate about the delay.

Mr. LALONDE: I think we are confusing two things: one, the work of the advocate to present the claim to the Pension Commission, and the work of the Pension Commission in adjudicating on the claim. Those two processes are fairly complicated.

I wish you would agree to wait until the chairman of the Pension Commission and Mr. Reynolds are here to discuss these very technical problems.

Mr. LOCKYER: I was thinking of the continuity. Would the advocate pursue a case all the way through, or would he just present the case and then forget about it?

Mr. LALONDE: Oh no. I do not want to get involved in this too much, but I think you will find when the pension act is explained to you, that there are various steps for presenting the case of the claimant up to the appeal board, which is like a Supreme Court of the Pension Commission. Some of those

steps are dictated by the Pension Commission. Some of them are looked after by the pensions advocate. But I would not undertake to explain them because first of all they are outside my jurisdiction and secondly, I do not know enough about them.

Mr. MONTGOMERY: I think what is bothering Mr. Lockyer and the pensioners is the fact that the veterans bureau have nothing to do with the veterans allowance.

Mr. LALONDE: Absolutely not.

Mr. MONTGOMERY: Veterans are writing in to members saying that they feel they should have a pension when what they are really after is the war veterans allowance.

Mr. LALONDE: That is quite right. It is creating confusion.

The CHAIRMAN: Might we have spelled out more clearly the difference between a pension and the war veterans allowance?

Mr. LALONDE: I have always felt that this confusion originated when somebody used the words "burnt out pension" in referring to the war veterans allowance. That phrase originated a mistake which it has been very difficult to eradicate.

Whenever we talk about a pension we are talking about a pension for war disability; or death in other words, a man may lose an arm or may suffer an invalidity due to his war service, and for this he can get a pension following a decision by the Canadian Pension Commission.

As far as we are concerned, that is the only kind of pension you can get. And that is a pension as of right because you did suffer something from your war service.

On the other hand, the war veterans allowance is not a pension. It never will be, and never was intended to be. Perhaps I should not say "never will be"; but it certainly never was intended to be.

The war veterans allowance came into being for a group of veterans who have a certain type of service but may not have suffered any disability as a result of their service, and who are in certain financial circumstances, warranting an award of allowance.

A lot of people and a lot of veterans will write to their members of parliament and say "I want a pension", when in fact they want eligibility for war veterans allowance. In turn the member of parliament—and we do not blame him for it—will write to us and say "This man wants a pension".

So it goes to the Pension Commission and they say that there is no ground for a pension. Then the letter is forwarded to the War Veterans Allowance Board.

Mr. BIGG: Why cannot there be some liaison between the two?

Mr. LALONDE: It is being done every day. I receive a lot of letters asking me "Can't you get the decision of the Pension Commission changed?" All I do is refer them to the chairman of the Pension Commission and notify the person concerned.

Mr. McINTOSH: Because of the interruption I do not think I have yet received an answer to my question about administration. I asked to which branch I should refer a problem concerning the War Graves Commission or the Benevolent Fund.

Mr. LALONDE: If you had a problem concerning the War Graves Commission, you would refer it to the chief executive assistant. While he is not an employee of the War Graves Commission, he is our liaison man with the Canadian secretary of the War Graves Commission.

Mr. McINTOSH: And what about a problem in connection with the Benevolent Fund?

Mr. LALONDE: Our liaison man is Mr. Parliament, director of welfare services.

Mr. McINTOSH: Thank you.

Mr. BROOME: On page 597 I notice that the position of "chief of information veterans affairs" is no longer included for 1958-59 but in place of it we have two information officers. Is that simply a change in the wording or what is the reason for it?

Mr. LALONDE: It is because he was reclassified upwards. We have abolished the position of chief of information, veterans affairs and reclassified him as "Information Officer Grade 6".

Mr. BROOME: And an additional information officer is added.

Mr. LALONDE: That is because the department has now taken over the publication of what is called the Canadian Forces Medical Journal. We used to publish a small pamphlet in the department dealing with technical matters relating to treatment services. The Departments of National Defence and Health and Welfare were doing approximately the same thing on their own. So after consultation we agreed to centralize the whole thing in our department and to issue a medical bulletin each month that would cover the three departments. That is why we absorb the cost of the centralized publication of this journal.

Mr. THOMAS: I have a question concerning the procedure of the committee. Possibly this is the time for it, if not, you may direct it. At what stage in the proceedings do we have the right—if we do have the right—to enquire into such things as interpretation under the act or regulations? What I have in mind is this: in the granting of war veterans allowance, certain qualifications are required; for instance, service in both world wars is one qualification which entitles the veteran to war veterans allowance.

I know of one case where a man actually served in both world wars, but the service that he put in in world war one, we are informed, under the interpretation of "service" was not considered to be service although he was in uniform and spent some time there. When can he raise a question of this kind? Is that time now?

The CHAIRMAN: I think, Mr. Thomas, you would get much greater satisfaction if you waited until we were discussing specifically the war veterans allowance; that is item 483 or even 481. But now I am not quite clear about your question. If you are going to submit questions concerning government policy, I think we had better wait until the minister can be present to answer them.

Mr. THOMAS: Mr. Chairman, if the house is dealing with a piece of legislation, or if the house is going to sit in committee on supply, there are times when all these questions can be raised, that is, in a general way. Now I understand this morning we are being given a preview of this whole subject of the estimates for the Department of Veterans Affairs in a general way. May we ask our questions now or not?

The CHAIRMAN: I think you would get more information if you saved the details for questioning under the respective items.

Are we finished with our general questions?

Mr. MACDONALD (*Kings*): There is an item of \$4,542 in the 1957-58 estimates which is excluded from the 1958-59 estimates. I do not see any comparable amount.

Mr. BROOME: That is on page 597.

Mr. LALONDE: We used to have what we called an inspection service and its functions were purely inspectional. They went to the districts to see if they were carrying out the procedures laid down by head office and carrying them out properly.

For the past two years we have been studying that method and we have come to the conclusion that we should change it and thereby get more beneficial results. The eventual decision was to abolish the inspection division as such and replace it with what we call the methods division.

We were able to get the services of a very capable man with a lot of experience in the field of methods and procedures. We appointed him chief of the methods and inspection division. His duties now will not be to go into the districts to check on what they are doing but to go into the districts to analyse what they are doing and to report to us and say, "We might improve our procedures in this way"—or that way.

If you will look a little farther up you will see a chief of methods and inspection division, veterans affairs. Now, if you look at administrative officers grade 3, above the chief of methods and inspection, you will see that we used to have four. We now have seven.

I might say that the inspection division was originally composed of five people. We have kept three positions, and we have given them a higher classification to enable us to have men in the methods division who would be capable not only of checking, but of suggesting improvements. The bodies are still there. As a matter of fact they are in a higher classification but they are filling what we consider to be a more useful purpose than the previous inspection division.

Mr. ROBERGE: There was an increase in salary?

Mr. LALONDE: Yes.

Mr. HERRIDGE: I should like to ask a question with respect to transportation costs. My experience would indicate that the department has been extremely frugal in that respect with its officials, particularly in relation to the Department of National Defence.

I recall on one occasion travelling in the same direction and to the same place as an official of the Department of National Health and Welfare and also an official of the Department of National Defence. I must say the allowance in one case was quite lavish, when compared with the other. Would the deputy minister tell the committee what the allowance is for transportation, use of cars, and things of that sort generally, and if in his opinion the allowance at times is such that it has caused a veteran's advocate or a veterans welfare officer to try to centralize his visits and have veterans travel some distance to see him. I have known, throughout the years, of one or two occasions where veterans have travelled up to 200 miles in order to see the veterans' advocate or in order to see his welfare officer. It was done in order to avoid that extra expense. Would the deputy minister mind explaining to the committee the system of transportation allowances, and if in his opinion it does on occasion prevent the visiting of smaller places as frequently as the district departmental officers would otherwise like.

Mr. LALONDE: Mr. Herridge, I was not aware that this sort of thing might have happened. There are two ways in which we pay travelling allowances. If the official of the department is travelling by public transportation, of course we give him a warrant and we pay for that. If he is travelling by a privately-owned motor vehicle, he receives an allowance of so much per mile and that allowance is laid down by the treasury board for all the departments, so that there will not be any difference between employees of other departments and employees of this department in this respect. The other expenses which he may incur are respect to room and board. There is no maximum laid down

with respect to room and board. There are guides which serve to remind the employees that they should not get a \$5.50 meal and hope to have it paid for by the treasury. As long as they are reasonable and present vouchers to show that they have spent so much, that is the amount that will be paid to them for travelling expenses.

Mr. HERRIDGE: I have one other question, Mr. Chairman, and it is this: Is the budget for the district office allowed for travelling expenses at such times that the official quite rightly tries to avoid long trips where he only has to see one or two veterans, and for that reason the veteran travels to see him.

Mr. LALONDE: Some time before we present our budget for the following year to the treasury board we ask all districts to estimate the amount of mileage they anticipate asking for during the next fiscal year. We have found cases where, because of unusual conditions the allocation given to the district originally was not sufficient. In those cases we have tried to borrow from other districts enough money to enable the districts that were short to operate satisfactorily. We have also had to ask for money in further supplementaries from time to time, but not very often. It is a matter of planning, and I do not think that the veterans suffer because our welfare officers are able to go and visit them as they should.

Mr. HERRIDGE: I am not suggesting that it is a frequent condition but I have known on a number of occasions where veterans have had to travel 200 miles.

Mr. LALONDE: The veterans themselves?

Mr. HERRIDGE: Yes.

Mr. LALONDE: Would they come in on a call from the department?

Mr. HERRIDGE: Possibly in some cases; but in other cases they wanted to see the veterans advocate or the veterans welfare officer because he was not coming closer to them.

Mr. LALONDE: If we call the veteran in, we will pay his expenses. But if he wants to talk to us and he writes to the district office and says "I have something urgent," then they will send somebody out.

Mr. HERRIDGE: Yes, that usually has been my experience; but there have been a few occasions on which I thought the veteran was required to travel a bit more than he should have been called upon to do.

Mr. LALONDE: That, Mr. Herridge, is almost impossible to prevent, because preparing estimates is always a sort of guessing game as to what will happen a year from now. But we always try to look at the past pattern and also at the changes that we can foresee. We try to ask for enough, but not too much, because if you have great surpluses in your votes it is just as bad estimating as not having enough.

Mr. HERRIDGE: Ours is a very difficult country in which to travel.

Mr. LALONDE: Are you referring to the interior of British Columbia?

Mr. HERRIDGE: You have to travel long distances in order to see one or two people, and then retrace your steps. In most cases you cannot plan a route, as you can in other places.

Mr. LALONDE: Of course in the northern part of the province travelling in the winter time presents an additional problem. If you go far enough north we find the same problem in other provinces. Our travelling in the winter is curtailed quite often, but not by choice.

Mr. BEECH: I see that there is an increase in the cost of stars and medals. I believe that there are still some of the boys who have not got their medals yet.

Mr. LALONDE: That is a long story. As a matter of fact I can tell you that out of 3,146,000 medals which were struck after World War II we have

distributed approximately 2 million, leaving a balance of 1,200,000 medals. But the interesting thing, as most of you know, is that veterans are supposed to apply for their medals, telling us where they served, so that we can determine what medal they are entitled to. Most of the veterans who have a fair number of medals have applied and they have had their medals. But we still have 398,000 C.V.S.M. medals left and 527,000 war medals, 1939. As you well know, those are the two medals that are issued to practically everybody, and the people who are entitled only to those two, or to one of them, have not applied for them. We do not think that they ever will. We do not want to spend an extraordinary amount of money to try and contact these people.

What we have started to do is a long-range process of finding out the names of those who are entitled to more than two medals. We have been trying to get an address either through our files or through some other means so that we can send the three, four or five medals to which they are entitled. We started that as an experiment last year. We sent out 1,000 parcels like that and only 300 of them were returned. So we assumed that in 700 cases we had the right addresses because they were sent by registered mail.

It is an expensive way of distributing medals, but we are trying to get them out to those who are entitled to more than one or two. I do not think that we will ever distribute all the medals to all the veterans.

The CHAIRMAN: Gentlemen, we have had a fairly extensive discussion on item 473, and I am wondering if it might expedite if we leave this item open, so that as we carry on with our discussion and matters occur to you, you will not feel frustrated by being prevented from asking questions at a later time.

There are many new members on the committee and to a certain extent this is an educational experience. If the suggestion would help to facilitate our deliberations I am quite agreeable to leave item 473 open.

Some Hon. MEMBERS: Agreed.

Mr. THOMAS: We have just been discussing item 473. We are going to let that stand so that at any time we may ask questions on it.

Mr. ROBERGE: Item 473 will be left open?

The CHAIRMAN: Yes. We now come to item 474.

474. District Services—Administration—\$3,287,475.

Mr. ROBERGE: At page 597 you will see that there are five more lawyers in the department. I would like to say I am happy for them.

Mr. LALONDE: I am afraid, Mr. Roberge, that we do not have any more bodies. We used to have solicitors doing work only for the department, other than the Veterans' Land Act. In other words, they were doing work on the re-establishment credit cases or where legal services were required and side by side with them in another office we had a lawyer doing only Veterans' Land Act legal work. So, after a lot of studying we decided that a lawyer is a lawyer and he should be able to do any kind of legal work. We integrated the legal services for the whole department and we transferred all the lawyers in the field to this vote. You will find there are less lawyers under the Veterans' Land Act vote, but more lawyers under the district administration. They are now employed by anybody in the department.

Mr. ROBERGE: So it is a re-allocation?

Mr. BEECH: It would clarify matters if you took all the lawyers out.

The CHAIRMAN: Is there any further discussion on item 474—district services, administration?

Mr. HERRIDGE: I hope you do not think that I am asking too many questions. In respect of transportation in interior British Columbia, could Mr. Lalonde tell us how often it is generally planned for these officers to make a tour throughout that area for which they are responsible?

Mr. LALONDE: There are two types of officials who do a lot of travelling. One is the welfare officers group; the other one is the settlement officers group. I think, Mr. Herridge, you are more interested in the welfare officers group.

Mr. HERRIDGE: Yes, and Pensions Advocates.

Mr. LALONDE: Would you agree to wait until Mr. Reynolds is here to deal with pensions advocates. Mr. Parliament will deal with the Welfare Officers.

Mr. HERRIDGE: Yes.

The CHAIRMAN: Is item 474 carried?

Mr. THOMAS: Just a moment, Mr. Chairman. I notice that there are 19 personnel officers.

Mr. LALONDE: Mr. Parliament will give an answer to that when we come to that particular item, Mr. Herridge.

Mr. THOMAS: There are 19 personnel officers and 15 purchasing agents. I wonder if the deputy minister could give us an idea as to how those people are used?

Mr. LALONDE: The answer to this, Mr. Thomas, is that we have personnel officers in each district looking after all personnel problems of everyone in that particular district. He looks after the personnel at the district office, and the personnel in the hospital—by that I mean the nurses, the doctors and the orderlies. He is responsible for the whole personnel in that area. We only need a purchasing agent where we have a hospital. That is why we have 19 personnel officers and 15 purchasing agents. For instance, we do not have a hospital in Charlottetown, so we do not need a purchasing agent. That accounts for the difference between personnel officers and purchasing agents.

Mr. MACRAE: I notice that on page 599 there are district administrators of various grades, from one to six. I presume that the criteria there are that the amount of veterans services in that particular district depends on the grade of administrative officer or district administrator.

Mr. LALONDE: The first factor we take into consideration, Mr. MacRae, is the size of the district. The size of the district is affected by two things, the number of veterans in that area and the territory covered by that district. Both the number of veterans and the size of the territory have an effect on the number of employees that we must have in that particular office to cover the ground.

Of course, the more employees the district administrator has under him, the greater is his responsibility, and the more work he has. That is why you will find in your larger districts, such as Toronto, Montreal and Vancouver, that the district administrator is graded higher than, for instance, the next size, which would be London or Winnipeg, and all the way down the line, until you get to Charlottetown which is the smallest district in the whole of Canada.

Mr. MONTGOMERY: Does it depend on the number of years of service?

Mr. LALONDE: No, that has nothing to do with it.

The CHAIRMAN: Is item 474 agreed to?

Item 474 agreed to.

We now come to item 475.

475. Veterans' Welfare Services—Treatment Services—\$3,494,262.

Now we call upon Mr. G. H. Parliament who is the director general of veterans welfare services. He will answer all the necessary questions on this important branch of the department.

Mr. HERRIDGE: Mr. Parliament comes before parliament.

The CHAIRMAN: Mr. Parliament, would you like to make a general statement or do you prefer to wait for questions?

Mr. G. H. PARLIAMENT (*Director general, Veterans' Welfare Services*): I would like to wait for questions. Perhaps, however, I could answer Mr. Herridge's question regarding the time between visits of a welfare officer in British Columbia. The time between the visits of a welfare officer going out in British Columbia would depend pretty well upon the load that he carries. Ordinarily, we try to have a welfare officer, according to the district, visit his area, at the most, once every two weeks. In some districts it is three weeks and in others it is four. That is generally the way the visits are planned. I can specifically give you an answer to British Columbia, but at the moment I do not happen to have those figures here. Generally speaking, that is what the schedule is, and they are on schedule. The post office is notified, and also the legion branch is notified that the welfare officer will be in the area at a certain time. The unemployment insurance veterans officer is also notified, and here is pretty general information as to when the welfare officer will be there.

Mr. HERRIDGE: In that connection, Mr. Chairman, I have heard no complaints about the welfare officers visiting the district. The veterans are very well satisfied. I have heard, on a few occasions, that in some of the smaller places they should receive more frequent visits than at the present time. I think they come from the coast to Trail, Nelson, Cranbrook and Fernie and it might possibly be a couple of months before they go to a place like Nakusp, or some other outlying place. That is what I am informed and I bring that to your attention.

Mr. MACDONALD (*Kings*): One of the members previously asked about the army benevolent fund. I think Mr. Parliament's branch has some connection with it. I wonder if he could explain how the welfare services handle problems with regard to the army benevolent fund.

Mr. PARLIAMENT: Applications to the army benevolent fund may be made directly to the army benevolent fund, or they may be made through the legion branches, or through the soldiers settlement officers, Veterans' Land Act, and veterans office of the U.I.C. Or we may pick them up in the field when we are investigating some particular case. The army benevolent fund may ask us to give them a report, or they might ask the Soldier Settlement Board particularly in farm cases. We make a report—a factual report without recommendations. A decision is then made by provincial committees of the army benevolent fund in each area. I think they have one in Charlottetown. There is only one office in Ontario. All the decisions in Ontario are made in Toronto. They have some other representatives to whom we can talk and from whom we can get ready action from the army benevolent fund. That is the way they do it.

The air force and the navy benevolent funds, on occasions, will ask us to investigate, but not all their cases. The navy do many of them themselves by their senior naval ratings in the particular district. The air force benevolent fund have several committees and they deal with them. If they want us to carry out an investigation we will take over the job and furnish them with a report. But, they make the final decision in all of these cases—the army, navy and air force benevolent fund boards.

Mr. WINKLER: May I ask exactly what type of cases would be handled by these organizations.

Mr. PARLIAMENT: Do you mean the policy of the benevolent fund?

Mr. WINKLER: Yes.

Mr. PARLIAMENT: The policy of the benevolent fund is pretty hard to define. They have a general direction for people that are in need.

Mr. WINKLER: It has a broad application.

Mr. PARLIAMENT: Yes, it has a broad application. I should like to emphasize that the three benevolent funds insist as far as possible that they get a permanent solution. The army benevolent fund wants a permanent solution. The air force and the navy are not quite so restrictive. They are private funds, and do not come under the Minister of Veterans' Affairs. They do furnish a courtesy report of their funds annually, but they do not in any way come under the minister. I think probably at times they would handle more cases than the army benevolent fund who are restricted by an act, and who can only go so far.

I think I should emphasize this, that if a man had service in any of the other services, the two funds or the three funds would get together and try to arrive at a joint solution.

In addition to this the army benevolent fund will try to make settlements with creditors so that they can make a grant that will clean up the whole situation, if they possibly can. We do not do that. That is entirely up to them.

Mr. WINKLER: There are situations that are beyond your department?

Mr. PARLIAMENT: Yes.

Mr. ORMISTON: I notice in the case of "Clerk 3" in the United Kingdom that the salary is less this year than last year. Is that a decrease in salary or is it due to exchange?

Mr. PARLIAMENT: Frankly, I have never looked into that. Could it be an exchange fluctuation? I will get you the answer. I am wondering just what it is. There is only one clerk Grade 3 in the United Kingdom.

Mr. ORMISTON: The fact is that he is paid less than the clerk Grade 2 in Canada and should he come back to this country he is not in such a preferred position.

Mr. LALONDE: He would not be a Canadian, sir. He is a locally employed man.

Mr. ORMISTON: He is a Britisher, yes.

Mr. MACDONALD (*Kings*): On the question of the benevolent fund, perhaps it should be pointed out that the benevolent funds are more or less assisted in their administration by the Department of Veterans Affairs. However, the D.V.A. does not set them up and does not have direct responsibility. The administration of those funds is assisted by D.V.A.; is that right?

Mr. PARLIAMENT: In so far as investigations are concerned.

Mr. MACDONALD (*Kings*): And the funds differ slightly in that they are set up from the balance of the canteen funds—from the services involved. Each service sets up its own fund—army, navy and air force and so on. They are in some cases revolving funds,—in other words nothing is being added to them and they are set up so that the fund will last for a certain period of years. The army benevolent fund is, in particular, just for emergency measures. They are not for continuing assistance.

Mr. MACRAE: I just want to speak about the army benevolent fund. I think it is one of the most interesting pieces of support there is for veterans after the war.

I remember Colonel Lalonde was on a committee, along with myself, and several others, who met in Quebec city. Of course several million dollars were available.

The discussion was brought forward that it should be put on a basis, as was mentioned. It worked out at so much money every year. When the last

veteran died the last dollar in the fund would be expended. I wonder, Mr. Parliament, if they did go into that at length. Are they allocating their funds at so much every year or are they restricted for the A.B.F.

Mr. LALONDE: Yes, Mr. MacRae, I know the answer to that one.

The original planning was done on the premise that the capital placed in the trust fund plus the forthcoming interest on an actuarial basis would last, as the act lays down, for 50 years. This was done in 1947 and since then the board, in planning their expenditures each year, have tried to follow the pattern set at that time. Their only difficulty—and it is a real one—is that in 1947 the dollar was worth a dollar but in 1958 it is not worth a dollar anymore. We are in the process of discussing this problem with the members of the Army Benevolent Fund Board and the minister to see what can be done to obviate this problem which has arisen or to solve it partially.

It is just a question of having so much money spread over so many years and now that amount of money will not do what it was intended to do because of the higher cost of living.

Mr. BEECH: Mr. Chairman, am I correct in saying that the veterans' welfare not only handles the vote under the control of the government but will assist the veterans in getting funds from such sources as the Ontario canteen fund.

Mr. PARLIAMENT: That is part of duty of the welfare officer—to solve the over-all problem and he does make use of this fund.

Mr. THOMAS: May I ask the name of the act which sets up that fund?

Mr. LALONDE: The Army Benevolent Fund Act.

The CHAIRMAN: I believe the members have copies of each of the acts.

Mr. ROBERGE: It is chapter 10 of the revised Statutes of Canada, 1952.

Mr. HERRIDGE: I was asked to ask this question of the proper officer by the zone council, in my constituency of the Canadian Legion. What would Mr. Parliament's branch do in the event of an aged and ailing veteran needing medical treatment who had served in the first world war who was not entitled to war veterans' allowance knocking on the doors of the Shaughnessy hospital for admission while there was some gentleman inside who fought against us in the last war. What would his department do for that aged, ailing veteran. Would he be cast into the streets while others were getting services.

Mr. SPEAKMAN: Why would he not be eligible for veterans' allowance? The act has been broadened.

Mr. HERRIDGE: I am sure he would not be eligible for hospital treatment because he was not eligible for war veterans' allowance.

Mr. LALONDE: Mr. Herridge, is this a hypothetical question?

Mr. HERRIDGE: No, this is based on fact.

Mr. LALONDE: If it relates to the case to which I think it relates, the answer is that the man did not need treatment.

Mr. HERRIDGE: Yes, but, Mr. Chairman, the deputy minister is quite correct.

There are cases such as that in this country of veterans who volunteered in the second world war who did not go overseas, or if they went to England were not entitled to war veterans allowance, were not entitled to admission to a departmental hospital. This is correct, is it not?

Mr. PARLIAMENT: Yes.

Mr. HERRIDGE: He is an ailing aged person who volunteered to serve his country and cannot be admitted to a hospital because of the regulations. As I said before, at the same time some gentlemen who fought against us are quite comfortably inside as a result of cooperation with the Department of

Citizenship and Immigration. What does the welfare branch of the Department of Veterans Affairs do to assist that veteran, or whom do they put him in touch with?

Mr. ORMISTON: Send him back to Saskatchewan and he would get free hospitalization.

Mr. BEECH: That has been taken care of since July 1.

Mr. LALONDE: Well, Mr. Herridge, the way you put your question does not make it any easier for me to answer. Actually, a veteran who served under certain conditions will be entitled to in-patient treatment under certain sections of the treatment regulations, such as section 13 or section 23. The test as to whether he pays something or not is a means test under section 13. Under section 23 he has to pay the daily cost. But the veteran who has the type of service that has no effect on whether or not he needs to be treated today, and is, as you have put it, an indigent case surely he is entitled to the same coverage as any Canadian citizen, and as such should be admitted to any hospital in British Columbia, if he has lived there for a while, in the same way that, after the plan comes into effect in Ontario on January 1, every citizen of the province of Ontario will be entitled to treatment in that province.

We are perhaps getting involved in a question of policy and I should not express an opinion on policy. But let me put it to you as a question: was it parliament's intention that, for every man who had donned the uniform during any of the wars, the government or the country would guarantee them hospitalization for anything that happened to them for the rest of their lives?

Mr. HERRIDGE: Was it parliament's intention that a veteran in that category, at least a Canadian citizen who volunteered to serve his country, should be denied admission to a hospital full of empty beds, while another man who fought against Canada is provided for?

Mr. LALONDE: We are getting involved in the field of policy and you have me at a disadvantage there.

Perhaps we might get together on that later on, Mr. Herridge.

Mr. MONTGOMERY: The interpretation of the act is a matter of law.

The CHAIRMAN: Mr. Herridge, perhaps we might pursue this query if you wish when the minister is here. It is fringing on policy.

Mr. HERRIDGE: Yes.

The CHAIRMAN: And it also seems to border on treatment services which is not before the committee at the present time.

Returning to veterans' welfare services, have you any further questions?

Mr. MONTGOMERY: I have a question, Mr. Chairman. From your information I notice that the United Kingdom office of the Department of Veterans' Affairs maintains an office in London.

Mr. LALONDE: Yes, Mr. Montgomery, we have a district office in London, England. It is set up on the same basis as our other district offices except that it is not part of any region. It is an independent district under a district administrator, Mr. Alan Chambers, who is responsible for everything that has to do with the department in England or on the continent.

The CHAIRMAN: Are there any further questions?

Item 475 agreed to.

The CHAIRMAN: Item 475 has been agreed to.

Now the next item comes under treatment services and, as I explained at the beginning of our sitting this morning Dr. Crawford is not available at the moment so may we proceed to item 482? The reason we are skipping item 481 is for the purpose of orderly procedure. We can discuss item 481 when we consider items 483 and 484 so as to avoid duplication of discussion, if that meets with the approval of the committee.

Item 482 follows in logical sequence because it does come under welfare benefits. That means that we still stand items 476, 477, 478, 479, 480 and 481 and proceed to item 482, veterans' insurance.

We have Mr. Black, who is the superintendent of veterans' insurance, to answer any questions on this item.

482. Veterans Insurance—\$80,602.

Mr. MACRAE: I wonder if Mr. Black could tell us how many veterans of World War II took advantage of the opportunity to purchase insurance under the veterans insurance arrangement and the total volume of protection, if he can give that figure.

I am rather of the opinion that not too many did. Possibly I am wrong. That is why I am asking that question.

Mr. C. F. BLACK (*Superintendent, Veterans Insurance*): As at March 31 of this year, the balance in force is 28,778 policies and the amount of insurance is \$87,049,278.

Mr. MACRAE: That is the total of both wars, I presume?

Mr. BLACK: No, World War II only. That is veterans insurance. There is a distinction. The total number issued up to March 31 was 42,399 policies for \$133,580,000. The difference, of course, represents the various types of terminations.

Mr. MACRAE: Is it still possible for veterans of World War II to take advantage of this insurance? Is it still possible? The plan is still open, of course.

Mr. BLACK: The plan is open to certain classes of veterans. It has expired for a large body of veterans. It generally expires ten years after their discharge.

Mr. STEARN: Are they accepted for medical examination if they fall within the age limits now?

Mr. BLACK: They are virtually accepted without a medical. There is a schedule in the act that provides for certain medical standards. However, the standard is so low that we have refused only 72 applicants.

Mr. MACDONALD (*Kings*): Further to Mr. MacRae's questions, what classifications are still open and what is the cut-off date?

Mr. BLACK: There are two or three classifications open. Those veterans who still have enough unused re-establishment credits to pay a premium, have until 15 years after their discharge—or until January 1st 1960 if later—to obtain this insurance. There are certain members who remained in the permanent forces and who have been discharged after the general discharge date who are still eligible. Their 10 years have not yet expired. The Korean veterans were also given the privilege of obtaining veterans' insurance and their eligibility, at the present time, expires in October of his year.

Mr. BEECH: Is there some deduction made from the amount of the insurance where pensions are paid? Was there any discussion about that?

Mr. LALONDE: That is one of the things under consideration, Mr. Beech.

Mr. BEECH: Thank you.

Another point, I understood there was some quarrelling about where people have been paying for straight life insurance where it is possible that they pay in more than what they get at the end, when the person dies and yet they do not get any benefit. If they pay in, say \$1,200, they only get \$1,000 back.

Mr. BLACK: As with all life insurance, rates are calculated on an actuarial basis. As you know, the older a man is, the shorter becomes his future expectation of life. As a result, the older the man, the higher the premium. If a person at an old age takes out a policy, he pays a higher

premium. If, by good fortune, he survives longer than the general expectation, he in many instances, not only in veterans insurance but in general life insurance,—non-participating, such as this is—pays more than the face amount. You must remember too, that if he had died shortly after taking out the policy we would have paid out the face amount—and the majority of old policy holders do die in the fairly early years—and that those who have survived have had protection.

Mr. HERRIDGE: I am willing to keep on paying for my policy. I am alive.

Mr. BLACK: Perhaps I might mention that the above applies particularly when it is a long premium term such as ordinary life, or as in this case, it is paid up to the age of 85. The vast majority of our policies are on limited premium terms, some at 10 to 15 years, and a person in an older age bracket is well advised, if he can afford it, to pay a somewhat higher premium and to have a shorter premium term.

The CHAIRMAN: Are there any further questions on item 482?

Item 482 agreed to.

Now, gentlemen, we move to item 498 which comes under veterans' benefits. That is on page 87. Have you any questions.

498. Terminable Services

Veterans Benefits, including assistance and the training of certain Pensioners under regulations approved by the Governor in Council.....	\$1,050,000
(S) War Service Gratuities (Chap. 289, R.S.).....	\$ 10,000
(S) Re-Establishment Credits (Chap. 289, R.S.).....	\$1,650,000

Mr. MACRAE: Is that item of \$10,000, war service gratuities, administration or is that all that is expected to be paid? What is that amount?

Mr. PARLIAMENT: That is all that is expected or anticipated to be paid this year.

Mr. MACRAE: That has all been paid.

Mr. PARLIAMENT: It has been going down generally over the last few years and we think that 10,000 will be enough to pay all the applications we will get for war service gratuities for World War II.

Mr. MACRAE: No war gratuities are paid to the regular force personnel on discharge now, or am I wrong in that?

Mr. PARLIAMENT: I think we have got all the Korean veterans paid up. So I think there are no applications outstanding in the regular force.

Mr. MACRAE: And the regular force members do not get a gratuity on discharge?

Mr. PARLIAMENT: No they do not.

The CHAIRMAN: Are there any further questions under this item which includes, as you notice, statutory items such as war service gratuities and re-establishment credits?

Mr. MACRAE: I want to ask Mr. Parliament about the re-establishment credits. Has any attempt been made by the department to persuade people—I see there is a considerable amount of money left in re-establishment credits. Is there any compulsion—that is not the word—attempt to persuade people to take re-establishment credits or is it just a matter of, if a man applies, all right, and if he does not, it is still all right?

Mr. PARLIAMENT: Partially so, Mr. MacRae. I do not think we can use the word "compulsion" because if we did we would deprive a man of his rights to apply for veterans insurance. However, we have reviewed cases recently and right now I have welfare officers interviewing every veteran who has a re-establishment credit of \$500 or more. We are trying to find out why he is not using it.

As you know, according to the present act, it expires in 1960 and we feel that it is a good step in the right direction. We are getting some useful information out of it. We are still getting veterans who know they have a credit available and they are holding it to buy homes or to settle under the V.L.A. and we hope our staff will have a pretty good answer by this fall.

Mr. MACRAE: You have answered this question I think, Mr. Parliament. I think it is time well spent, because if the time does eventually expire we can see the administrative problem which will be involved and the amount of correspondence with members of parliament and others in respect of those chaps who did not get their re-establishment credits and the pressure that would be brought to bear by various people to get them.

Mr. PARLIAMENT: I should say, too. In this review, we asked the districts to look into what were some of the contributing factors for people not applying. We got the benefit of their advice as they had spoken to the veterans concerned. Under the direction of the deputy minister we reviewed the regulations and I think we broadened the use of some re-establishment credits which might tend to increase applications.

Mr. SPEAKMAN: You mentioned veterans retaining it against the possibility of applying under the terms of the Veterans Land Act. They are still required to forfeit their re-establishment credits to establish them under the Veterans Land Act. Is that correct?

Mr. PARLIAMENT: I do not think you can say "forfeit". You cannot have both. That is another way of putting it. You must have restored your re-establishment credit, or have never used it to apply for the Veterans Land Act.

Mr. SPEAKMAN: I am going to present the case, Mr. Parliament of the veterans who have no re-establishment credit and who are still entitled to settle under the V.L.A. How you justify that?

Mr. PARLIAMENT: I do not know if V.L.A. would take them. It is used as re-establishment but it is unknown to me if V.L.A. are doing this.

Mr. THOMAS: In connection with that, there may be something under the National Housing Act which might cause that confusion.

Mr. PARLIAMENT: Under part 2 of the act you can build your own home without using re-establishment credits. I forget about part 2 of the act.

Mr. LALONDE: I do not think that your example is quite correct because everybody who served has re-establishment credits which vary in amount.

Mr. SPEAKMAN: I am going to have to disagree with you on that. They do not. National Resources Mobilization Act people do not. I have been waiting a long time to get this in.

Mr. LALONDE: You have to go back to the intent of parliament when they approved the Veterans Land Act in 1942. It was twofold. This is not a matter of opinion, I am just relating the background and the purpose of the Veterans Land Act. One purpose was to serve as a rehabilitation benefit, of which there were three: alternative training, either university or vocational; Veterans Land Act establishment or re-establishment credit for those who either did not want or did not need an establishment on the land or university training.

In other words, there were three things you could choose from. The reason why they were made alternative benefits was so that everybody would have one of the three. You could not expect to have both university training and an establishment under the Veterans Land Act. You could not expect to have both university training and re-establishment credit.

When parliament passed the Veterans' Land Act, the other purpose was the development of agriculture after the war. That is why they extended the

provision of the Veterans Land Act to certain groups who were not entitled to the other two benefits. This was done to encourage more people to go back to the land.

Mr. MACDONALD (*Kings*): Mr. Chairman, I would like to ask Mr. Parliament if the department has ever notified these people that they have a balance of re-establishment credit. I would also like to ask a second question: Do you expect to be able to contact all these people who have not as yet drawn their re-establishment credit?

Mr. PARLIAMENT: This is one of our big troubles; no one knows where they are. In some cases we are finding out that they are dead. Some married men have died and the department has not been notified. We can make that re-establishment credit available to the widow or the children, or the mother if she was dependent, but we are still having trouble in locating these people. They just seem to have disappeared. Nobody knows where they are. The department has no address. We have checked in the head office files and in the district files and we have been unable to locate them. These are some of the problems with which we are faced.

In so far as the question of notifying these people, I think it is dangerous to send an ordinary letter out to a man notifying him he has some benefits. If the letter is not delivered to the right person, there is a possibility that we could be paying a re-establishment credit to a person who could not identify themselves other than by the letter. I think there is a real danger in that, and that is why we are asking our welfare officers on a low priority to visit the areas and try to locate these people rather than do it by mail. They are doing it on a very low priority basis, and as they are in the area they are going to try and find the individual if they can.

Mr. MACDONALD (*Kings*): What I had in mind was, for example, a bank. If a man has a balance there and it is not attended to, they notify him at certain intervals. I feel a veteran should be notified. I do not agree entirely with your point of view.

Mr. PARLIAMENT: Do you not think it is a little more desirable by actually calling on the last address we have. In that way we can probably locate him. In many cases, letters which we have sent out are returned to us marked "address unknown". When we go to a storekeeper or a post office, we are usually able to find out where the man is or if he has moved to another district.

Mr. MACDONALD (*Kings*): You feel you can cover all of them?

Mr. PARLIAMENT: Yes.

Mr. MONTGOMERY: Mr. Chairman, is it the policy of the department that a veteran may still pay back his re-establishment credit and then establish himself under the Veterans Land Act?

Mr. PARLIAMENT: Until 1960.

Mr. BEECH: I wonder if Mr. Parliament would just indicate some of the things for which a man can use his re-establishment credit.

Mr. PARLIAMENT: The purchase of a home, the retirement of a mortgage on his home, furnishings—by that I am talking of furniture. He can use it for work tools for his trade. There is a very wide interpretation as to what working tools might be. For example, supposing a man is an office worker and he unfortunately breaks his glasses. He has to have his glasses and we can buy those glasses for him, if there is no other entitlement to it, as working tools of his trade. It can also buy some work clothes for some men. It can also be used for repairs and modernization of his home. He can purchase a business. He can pay his insurance premium, if it is a policy under the department. He can buy certain educational equipment. There is an order in council that is not in the act whereby for a certain selected

group we can allow them to purchase clothing. Another benefit under the regulations of the department is that on any balance less than \$25 we can pay him in cash. We are using every possible method that we have at the moment.

Mr. ROGERS: How much cash does he have to put up himself?

Mr. PARLIAMENT: In the purchase of a home it is two-thirds. We can give him his credit for one-third, and in the case of furniture it is 10 per cent. The retirement of a mortgage would be dealt with in the same way. In regard to the purchasing of working tools, equipment and things like that, he does not have to put up any money whatever.

Mr. HERRIDGE: We have been sitting two-and-a-half hours and out of consideration for the staff, and the official reporters, and in order not to hasten the demise of the First World War veterans present, I move that we adjourn.

The CHAIRMAN: Before we put that motion, what about this afternoon's session?

Mr. ROBERGE: Is anybody else sitting this afternoon?

The CHAIRMAN: We have the officers available. We have a budget debate in the house. Would it be possible to carry on at 3.30?

Agreed.

The CHAIRMAN: Now, gentlemen, when the committee rose this morning we were discussing item 498 and we shall continue from that point, if you please.

Mr. HERRIDGE: May I ask the members of the committee to speak louder, first on account of the Hansard reporters and secondly, for the sake of the rest of us. This morning it was very difficult for us to hear down at this end of the table.

The CHAIRMAN: That is a very good point. This is a difficult room in which to hear; if the members of the committee will follow that advice we shall get along much more happily.

Mr. ROGERS: May I ask a question supplementary to the one I asked this morning concerning the cash payment of re-establishment credits. I wonder if you have given consideration to the expenses involved with those cash payments or to the amount that has to be put up in connection with re-establishment credits.

Mr. G. H. PARLIAMENT (*Director-General, Veterans Welfare Services, Department of Veterans Affairs*): What is that please?

Mr. ROGERS: There are a number who have not applied for their re-establishment credit?

Mr. PARLIAMENT: Yes.

Mr. ROGERS: Has any consideration been given to dispensing with the amount which has to be put in by the applicant in order to get his re-establishment credit?

Mr. PARLIAMENT: The applicant has to put up one third of the equity.

Mr. ROGERS: I know.

Mr. PARLIAMENT: I do not think that question came up among the questions we asked the district officers at the time. One third appeared to be satisfactory to most of Quebec. But if you have some cases, we would like to hear about them, and this is the place to find out.

Mr. ROGERS: I know that quite a few have given the reason for their not asking for re-establishment credits as this: that they have not got that part to put up themselves.

Mr. PARLIAMENT: This is for the purchase of a home, I take it?

Mr. ROGERS: No, for the purchase of furniture.

Mr. PARLIAMENT: Well, they only have to put up ten per cent in the case of the purchase of furniture.

Mr. ROGERS: I wondered if any consideration of this small amount had been given to do away with it—to dispense with it?

Mr. PARLIAMENT: Mr. Herridge could put me right about this because I was not in Ottawa at the time the original re-establishment credit was set up. At the time the legislation was being considered by the Veterans Affairs Committee, it was one third for furniture; then a resolution was made in the Veterans Affairs Committee reducing it to ten per cent. That is the only change there has been on furniture since the inception of the legislation in 1944-45.

The question has not come up since then officially. It may happen in the districts and you are quite right, but it has not been passed on here. It has not been a big problem, I think. I know I was in the district for a year and a half before I came to Ottawa and it was never a serious problem then. The one district I was in was Toronto.

Mr. LALONDE: This would require an amendment to the act. But I think it is a very good point for us to study in prevision of the time when the act may again be opened.

Mr. ROGERS: The reason I raise it is that I worked for a number of years and I know that veterans were not applying for their re-establishment credits.

Mr. LALONDE: Originally this was put in so there would not be too much traffic in furniture, which, as you know, was the case in certain instances. It was not a great problem.

But it does not exist any more. I can assure you that we shall certainly look into it to make recommendations for the future.

Mr. McINTOSH: Supplementary to that, this question may have been asked this morning after I left, because I had to leave to go to another meeting, but has any effort been made to contact those veterans who have not drawn their re-establishment credits?

The CHAIRMAN: It was discussed thoroughly this morning, Mr. McIntosh. Now, Mr. Jung.

Mr. JUNG: Speaking as a veteran who has benefited greatly by the rehabilitation program sponsored by the government, I wonder if there has been a survey made of the rehabilitation program undertaken by the government to ascertain the progress made by these veterans bearing in mind the shortage of trained personnel in Canada, particularly of those at university level.

I am interested in the number of those who have received training, in what it has cost the government in the professions which they have chosen, and also in the number of failures following it. I wonder how much of this information might usefully be forwarded to the government in order to help the government to formulate a policy with respect to future grants to universities, either by way of enlarging the present grants in the form of more money or of some other kind of grants to encourage not only veterans but also young Canadians to attend university who otherwise, through financial circumstances, might be unable to do so.

Mr. PARLIAMENT: I can answer most of this question. I can break the professions down with respect to the children of the war dead, but I have not got the actual breakdown for veterans of world war two. For university training we had approximately 60,000, and about 81,000 under vocational training.

University training numbered 54,000 and at the present time we have—we are estimating on 1,150 children of the war dead as being the total program,

nevertheless the actual figure is 1,166 at the present moment. I do not know whether this would be helpful. I shall get those figures for you.

Mr. JUNG: I would appreciate it, thank you.

Mr. PARLIAMENT: Would you like to have the total cost as well?

Mr. JUNG: Yes.

Mr. PARLIAMENT: Vocational training was done at a cost of \$53 million, roughly; university training cost \$142 million.

I have not got the figures with me at the moment on the supplementary grants that we discontinued. I think in 1948, to the universities. We did pay supplementary grants to universities in addition to the fees which were used by the universities to enlarge their facilities in order to take care of the big influx of veterans at that particular time. That was in addition to the fees and allowances we paid to the veterans.

Mr. JUNG: Other than vocational training given to other ranks in the services now, do you still have a system for university training for personnel discharged from the services?

I know that officer cadets must have their university education as well as other ranks; but is there any supplementary education being carried on?

Mr. PARLIAMENT: Not under the Department of Veterans Affairs. But there is a training program carried on by the Department of National Defence at the present time. They picked up a few men who wanted to become doctors; some legal people, and dentists. They have their own training program for bringing them up, and I think the air force has done the same with respect to engineers.

Supplementary payments running to \$840,549 were paid to the universities in addition to the fees. It was a special grant made to the universities up until 1948 to enable them to enlarge their facilities to take care of the great influx of veterans.

Mr. JUNG: Does the department have more or less of a follow-up program in order to watch the progress of these people as they go through university, and after they come out?

Mr. PARLIAMENT: Yes. Six months after they come out there is a mail follow-up sent out to ascertain how they have been getting on. I may say that the record has been very good up to the present time.

The CHAIRMAN: Are there any other questions on the point raised by Mr. Jung? We are on item 498 veterans benefits, at page 87.

It looks as if we have almost completed our discussion of this point but we do not want to close off anyone.

Mr. PARLIAMENT: May I answer a couple of questions which were asked this morning?

The CHAIRMAN: Mr. Parliament has replies to questions raised this morning.

Mr. PARLIAMENT: I have spoken to Mr. Herridge about the welfare officers for some 100 miles, and I think we have come to a satisfactory reason why it happened.

There was a question raised this morning as to why a clerk grade 3 in the United Kingdom should have less money this year than we had for him in the estimates last year.

Those estimates were made for the previous fiscal year. They were made on the basis of \$5 exchange on the pound. This year it was only \$2.75, and that accounts for the reduction. The actual cash paid to the man in pounds was exactly the same last year as this year.

Mr. BROOME: Have we done the Canadian Pension Commission yet?

The CHAIRMAN: No, that is standing until we have the chairman of that commission before the committee. We also are standing treatment services.

Are there any further questions?

Item 498 agreed to.

There is another item coming under the purview of the director of welfare services. It is item 517 and it is to be found on page 93. It has to do with the revolving fund that is provided in connection with the poppy program. That is item 517 on page 93.

517. To authorize the operation of a revolving fund in accordance with the provisions of section 58 of the Financial Administration Act for the purpose of financing the manufacture of Remembrance Day poppies and wreaths, the amount to be charged to the revolving fund at any time not to exceed, \$350,000.

Mr. HERRIDGE: Would Mr. Parliament please explain how it works, and explain the operation.

Mr. PARLIAMENT: We operate shops in Toronto and Montreal which make wreaths and poppies. In Calgary, Winnipeg and Regina we have home workers who assemble certain poppies on a piece work basis. They really come under the supervision of other district officers. But they do it as a piece work job.

In 1954 the lapel poppy which most of us wear on November 11 numbered 4,183,000; whereas in 1957 this figure jumped to \$6,434,000.

The pieces, including wreaths that we make, window poppies, the ordinary poppy, and poppy pieces made a total of 4,775,000 in 1954 as against 6,632,000 pieces in 1957. They are all sold through the Canadian Legion who in turn sell them through their provincial commands. They sell them to the branches and it is their representatives who sell them on the streets.

Mr. HERRIDGE: Why is this amount found in the estimates?

Mr. PARLIAMENT: Mr. Mace, the assistant deputy minister will explain it. This is a new procedure and we think it will work out better in serving our districts, and that by and large it will be better. Mr. Mace can make the best explanation.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): Mr. Chairman, this is really an accounting gimmick. We have always provided the funds for the operation of Vetcraft which Mr. Parliament spoke of, within his vote.

Actually we spend the money for the salaries and the purchase of material to make the poppies and we turn around and sell them to the Canadian Legion and then we endeavour to recover our cost.

It meant that this was really not a normal administrative action on the part of the department. Therefore, it was thought desirable to set up a revolving fund in which parliament would vote, in the first place, a sufficient amount of money to take over the inventory and then it would be paid into and out of a revolving fund from then on. So we pay the expenses from this fund, and it is brought back to the fund, in receipts derived from the sale of poppies. It is really a clearing up accounting procedure and it gets it out of our administration vote.

Mr. HERRIDGE: I think it is a good idea.

Mr. MACE: I think so. It tidies everything up too.

Mr. SPEAKMAN: Does the sale to the legion meet the cost of the manufacture?

Mr. MACE: Yes, it does. They come close now. We do have trouble in costing government work, but we try to keep the price to the legion so that we recover the actual cost of the poppies and their production.

Mr. SPEAKMAN: Thank you.

Mr. HERRIDGE: How many persons would receive some benefit from this at the moment, roughly speaking?

MR. PARLIAMENT: There would be roughly fifty poppy workers full-time. In Winnipeg there are three widows who assemble the lapel poppy. In Calgary probably we have five, or seven, to distribute it a little wider, and in Regina seven or eight who assist in assembling pieces.

Item agreed to.

THE CHAIRMAN: We now come to items 481, 483 and 484 and there is a supplementary item 653. Before we start the questioning, may I say that Mr. Garneau, Chairman of the War Veterans Allowance Board will deal with any questions on this.

MR. MCINTOSH: You have not finished item 518, or 519? Are you going back to that?

MR. LALONDE: Item 519 is Veterans' Land Act and we could take it at the time when the director is here. I am afraid we have forgotten about item 518. Perhaps the explanation might be in order at this time.

518. To authorize the making of a loan by the Minister of Veterans Affairs to William J. Edwards, a veteran of World War I, in the amount of \$1,000, such loan to be repayable on demand by the minister and to be made on the security of a mortgage acceptable to him, executed by the veteran and his wife and registered as a first charge on a parcel of land held by the veteran and his wife as joint tenants and described in the Land Registry Office, New Westminster, British Columbia, as Lot 13, Block 14, Northwest Quarter of section 11, township 1, plan 14124, New Westminster district—\$1,000.

MR. LALONDE: This is simply to correct an error which occurred in respect of a veteran out in British Columbia who had an over-payment of war veterans allowance and who had a home which he owned—

MR. MCINTOSH: I do not need an explanation on that. However, could I ask one question on the previous item, item 517? Was this amount of \$350,000 included previously in last year's estimates under a different heading?

MR. MACE: In essence, yes, but not quite. The mechanics of the accounting are that we do have to cover the inventory which is around \$170,000.

MR. MCINTOSH: Would you name the item?

MR. MACE: It was in prosthetic services I think last year.

MR. MCINTOSH: What is the number of the vote?

MR. MACE: 479 this year and it is the counterpart of 479 last year. In the printing, I think, possibly they have taken out the figures of last year which applied to the item of this year.

MR. MCINTOSH: Is it an item on page 585 which has increased from \$1 million to \$1,200,000?

MR. MACE: That is the item; but in setting up the estimates if we go into details on page 607, you will notice that the item manufacture of poppies, towards the bottom of page 608 or the details, shows we had \$210,000 in the 1957-58 and nothing for 1958-59.

THE CHAIRMAN: Does that complete the point?

MR. MCINTOSH: Yes.

Item agreed to.

481. War Veterans Allowance Board—Administration—\$153,112.

War Veterans Allowances and Other Benefits.

483. War Veterans Allowances—\$58,066,500.

484. Assistance Fund (War Veterans Allowances)—\$2,000,000.

653. Treatment and Other Allowances—Further Amount required—\$300,000.

THE CHAIRMAN: Now we will come back to Mr. Garneau and the war veterans allowance. Do we have any questions?

MR. HERRIDGE: The other day I was badgering the minister about one or two of my pet peeves and he said that the proper place to bring them up would be in this committee. I wonder if I could bring them up at this point? I do

not have the correspondence here but the case I will mention will illustrate my point. I think there must be very few similar cases in Canada. A man who served in my battalion in the first war was married overseas and came back to live in Canada. They lived together as a respectable married couple in my district up until the time he died. He was not in receipt of a war veterans allowance up until the time he died. She had previously been married to a man who had served in the imperial army overseas and had been advised that he had been killed. Shortly after her second husband died this lady's sister wrote and said "What do you think, Bill has shown up"—this was the previous husband who was supposed to have been killed in 1918. She made application for war veterans allowance and because of the circumstances she was not, in effect, legally married. She was morally married, and she was denied the war veterans allowance owing to a section in the act.

Mr. F. J. C. GARNEAU (*Chairman, War Veterans Allowance Board*): Section 30 (11) (b).

Mr. HERRIDGE: Yes. I am rising to bring this to the attention of the committee because I believe there are very few cases of this kind and I would ask if there could be a slight amendment made to that section of the act which would make provision for a case such as this where there is every moral reason for the widow to receive the allowance. This is a most unfortunate situation and I would like to hear Mr. Garneau's comments in respect of it.

Mr. GARNEAU: I am quite ready to take good note of that and I admit it has been a headache for us also. In this case, as I understand it, that woman married in good faith many years before and probably raised a family and did not know of the existence of the former husband. I know as the legislation stands I must admit there is very little we can do about it.

Mr. HERRIDGE: She went through a ceremony of marriage but later it was proved to be illegal. She had been advised that the first husband had been killed in France in 1914. Apparently he was a deserter who turned up many years later. On the basis of the information she had received, never having heard from him during those years, she married a soldier who was in my company at the time in London. They came back to Canada in 1918 or 1919 towards the conclusion of the war. The husband died, not in receipt of war veterans allowance unfortunately, and within two or three weeks after her husband's death she is notified by her sister from some place in England that Bill has turned up. On that account and because of the present legislation she is denied war veterans allowance. Everything was done in good faith and it is most unfortunate that she now has had to go on social assistance.

Mr. LALONDE: Was the veteran to whom she thought she was legally married free to contract a valid marriage?

Mr. HERRIDGE: Yes. I have known him practically all my life.

Mr. LALONDE: We may be able to do something about it.

Mr. HERRIDGE: I have known the widow also since 1918 or 1919. They were very fine people.

Mr. LALONDE: Could you leave that case with us and we will see what powers we have under the law of interpretation?

Mr. HERRIDGE: I would be pleased to do so. If the powers of interpretation do not enable you to do something in this case, I would urge a sympathetic approach to some amendment to provide for these cases which I think are very few and very unfortunate cases.

I have another most difficult case regarding another veteran in the same company in our battalion who was married overseas. The church was burned down where the marriage records were, the government records in Revelstoke

were destroyed, and their home was destroyed and all the records of the marriage lost. Finally, on the suggestion I think of Colonel Garneau or somebody else, it was suggested that they be remarried and that things would be all right. The woman was a bit upset when I suggested it to her and she said, "I will be in a blooming predicament now; everybody in the village will know about it tomorrow morning." We took every precaution that it be done in the rectory and done quietly. Everybody knew about it the next day. However, fortunately her husband was able to receive the war veterans allowance.

Mr. GARNEAU: You understand the spot these cases put us in. We are quite willing to accept reasonable statements, in a measure, about those things but when there is not even a shred of evidence on which to base the decision, then we turn around and say: please quietly get remarried and send us a marriage certificate even though you have to go thirty miles from where you live and have it done at seven o'clock in the morning. That is good enough for us.

Mr. HERRIDGE: I spent from six o'clock to midnight persuading the lady to get remarried.

Mr. GARNEAU: Thanks for your help!

Mr. BROOME: I wonder if Colonel Garneau would explain the permissive clauses? What power of discretion does the war veterans allowance board have?

Mr. GARNEAU: I can do no better than explain the act. I call it a privilege clause. It is something that has been designed to help those veterans who are residing with someone—

Mr. BROOME: I know the clause. The reason for my question is this: I do not want to bog down on individual items, but I happen to know—and I will do as Mr. Herridge did and that is give one example—of a man who enlisted in 1938 who was refused active service because he was such a good instructor he was held in Canada and when he died his widow, who became arthritic and who had four children, had no income and no benefit whatsoever from veterans' legislation because of the fact that he had not had any overseas service. Your people in the regional office told me in such a case the best thing is to punch your C.O. in the nose so that you get sent overseas if only for a few days. This man did have service outside the country in the United States. If it had been in Newfoundland I believe it would have been recognized. Do you have no permissive powers in a case of this kind?

Mr. GARNEAU: We must administer the act as we find it. The theatres of war and conditions, I might say, of eligibility are defined in the act. Those things which go to the constituting of a "veteran" are defined. Unless an applicant meets those conditions he fails. Unless he is a pensioner or has had service overseas in a theatre of war we cannot recognize him as a veteran for the purposes of the act.

As the eligibility of the wife flows from that of her husband, if the husband is not an eligible veteran it follows that the widow cannot be admitted.

Mr. BROOME: If the husband had a pension as low as five per cent, or any pension at all, this would confirm the eligibility of the widow?

Mr. GARNEAU: Exactly right.

Mr. BROOME: This applies no matter how low the pension?

Mr. GARNEAU: It must be five per cent or more.

Mr. BROOME: In this particular case the man damaged his feet and had to be taken off parachuting jumping, but he would not apply for a pension. His death took place shortly after he left the service and his widow applied for pension. His death was not due to war service so she was completely out of luck. If he had made application regarding his feet he would have been eligible but his wife cannot go back on that point, because he is dead.

Mr. GARNEAU: The veteran himself having died without being eligible during his lifetime, his widow is not eligible either. We have had the opinion expressed by the Department of Justice that posthumous awards are not in order under those circumstances.

Mr. BROOME: Posthumous awards are not in order under any circumstances?

Mr. GARNEAU: No, because we cannot make an award posthumously unless a man was eligible during his lifetime.

Mr. BROOME: One further question in respect to the application of war veterans allowances. Soldiers who were serving in Canada and who were not allowed to go overseas would account for a good many thousands of men, would they not?

Mr. GARNEAU: I am afraid they would. I have no statistics in that regard.

Mr. BROOME: Could you secure those statistics?

Mr. GARNEAU: Perhaps Mr. Bowland would have some figures.

Mr. BROOME: I do not require those statistics now. I would rather have authentic figures presented at a subsequent meeting.

Mr. GARNEAU: I think they would cover a very wide field, Mr. Broome. However, there would be a percentage of that number who would not be eligible, of course, because of other factors.

Mr. LALONDE: If I understand your question correctly, you are wondering how many people who served in Canada only would be eligible now for war veterans allowance?

Mr. BROOME: No. My point is this: certain people signed up and served in Canada only because they were posted there and that is all they were allowed to do?

Mr. LALONDE: You are referring to both wars?

Mr. BROOME: Referring to both wars, yes.

Mr. LALONDE: Yes, in respect of both wars, I see.

Mr. BROOME: A man volunteers and serves where he is told to serve. The war veterans allowance is something of the nature of a gratuity given to people who serve overseas. My point is, what would be the effect of the privilege if that same privilege was applied to a soldier who by chance did not serve overseas?

Mr. GARNEAU: That is why I did not answer your question, Mr. Broome. I was trying to find out whether we had that type of statistics or not.

We could only take a number of veterans who served in Canada in world war I and world war II.

Mr. BROOME: Those who are eligible for overseas service?

Mr. GARNEAU: They were all eligible for overseas service.

Mr. BROOME: Well, there were certain categories that did not serve overseas, were there not?

Mr. GARNEAU: We would have to figure out how many there are, how many would be over 60 and how much that would cost. You realize, we are not able to select out of this group a proportion and say these would be eligible and these would not.

Mr. BROOME: But you have a certain proportion in regard to "X" number of soldiers who served overseas, and then this same percentage of "X" number of soldiers would be the same number of soldiers in this respect and you could assume it was the same percentage?

Mr. GARNEAU: We will have to give you the answer to that at the next meeting, Mr. Broome.

Mr. BEECH: Mr. Chairman, I suppose many of the other members of the committee have been faced with similar problems. I know of a case where widows have had property left to them as a result of their husbands' death and consequently have qualified for war veterans allowances. They have subsequently sold their properties and have had their allowances cut off because of these assets. It may be a matter of policy, but it seems to me that they still have the assets. It just does not seem right to me and I was wondering what the Department of Veterans Affairs felt in that regard.

Mr. GARNEAU: Could I ask you to put your question again please?

Mr. BEECH: I know of a case where a woman was drawing a war-veterans allowance. She owned a home. Subsequently she found it difficult to keep the home going and sold it, thereby transferring the mortgage to some other relative. In this case the allowance was immediately cut off. I am just wondering what the thinking is behind that situation?

Mr. GARNEAU: Under those circumstances, as long as she still has her home—as a recipient she is allowed to have property worth \$8,000 without anything said about it—she would receive the allowance. If she sold the property the allowance would stop. There is a special clause in the act designed to encourage and insure that these people who have homes keep them. If she sells that property she then has liquid assets which are not being used for maintenance. If she wishes to buy another home with the money and leaves that money undisturbed in the bank, we give her a year to do so without disturbing her allowance.

This clause is a result of the difficulty of purchasing property in the post-war years and we have not changed that clause.

However, if she took the money and gave it to a relative or a friend, or disposed of it instead of using it for her own maintenance because she was no longer in necessitous circumstances, under the broad terms of the act—in other words, she has more in liquid assets and personal property than the regulations permit—we would then have to look at the situation in regard to section 18 of the act which says:

When it appears to a district authority or the board that applicant or recipient or his spouse has made a voluntary assignment or transfer of property for the purpose of qualifying for an allowance or for a larger allowance than he might otherwise have been entitled to, the value of such property shall, in determining the amount of allowance, if any, that such person should receive, be taken into account, as if the assignment or transfer had not been made.

So, under the regulations she is permitted to—

Mr. BEECH: It is a matter of policy then. It seems to me that she should be able to stay in the home as long as she lived and then transfer it to a son, and it would be quite all right.

Mr. GARNEAU: Yes, quite.

Mr. BEECH: This just does not seem to be right. However, it is a matter of policy.

Mr. GARNEAU: It is not a matter of an interpretation of the board.

If she, of her own will, chooses to change her status and moves to an apartment, and gives that money to a son or a daughter, or a friend, unfortunately we have to take note of the situation. These people are always advised as to what may happen if they take the trouble of consulting us beforehand.

Mr. BEECH: I suppose I would be perfectly right in advising such an individual not to transfer property until at least a year after she sold it?

Mr. LALONDE: If a recipient sells a home and has \$8,000 in the bank as a result of that sale his allowance is not going to be discontinued for a year even

though he has money in excess of the limit allowable. This is done in order to allow him time to find another home and to purchase it with the \$8,000 which is resting in the bank.

Mr. BEECH: Does an individual have to give an undertaking that he is going to purchase another home?

Mr. LALONDE: At the end of the year the allowance would be discontinued unless a new home had been purchased.

Mr. GARNEAU: An individual is requested to inform the local authority with whom he has been dealing in the first instance of any change in the financial or domestic situation and he must undertake at that time to comply with these regulations. Some of them do and some of them do not. However, if it is a bona fide case we do not look upon too harshly. Even if there is a slight delay we do not bother them.

Mr. HERRIDGE: Mr. Chairman, I have been faced with a situation similar to that mentioned by the previous speaker.

There is a young lad living in my constituency who has an excellent war record. I have known where he has been living for 45 years. He has a home assessed at about \$6,000, but he has no other assets. I told him that as far as I could decide he was eligible for war veterans allowances. He was delighted to find out about it and he made an application. In the meantime the Department of Public Works decided that a highway should be straightened in this area. They decided to build it right slap, bang through his home. They compensated him quite fairly for the loss of his home to the tune of \$11,000. He came to see me to find out what he should do. I advised him at once to inform the Department of Veterans Affairs. Naturally he intends to invest a greater part of this \$11,000 in another home. I suppose he will invest \$8,000 or \$9,000 in that way. How would a situation such as that be handled? How long does he have to re-invest this money?

Mr. GARNEAU: If his intention is clear that he wants to buy another home and he invests \$8,000 let us say, for the sake of argument, and assuming that he received \$11,000 he would not then be eligible to receive a war veterans allowance until the excess of \$3,000 was reduced to \$2,000 because the regulations do not permit him to have more than that. The regulations do not require a veteran to be in a state of poverty without funds at all. In the case of a married man living with his spouse and being in possession of \$2,000 in bonds, in cash, or in any other form of investment, he would still be eligible. However, if he had over \$2,000, we would expect that he would use that extra \$1,000 to maintain himself.

Mr. HERRIDGE: Thank you very much.

Mr. BEECH: Mr. Chairman, may I follow up the idea I put forward a moment ago. If the property had been transferred to a son, would that have any effect on the woman's pension?

Mr. GARNEAU: Oh, yes. It would no longer be his property. He would have divested himself of it.

Mr. BEECH: He has a war veterans allowance now even though he has property, but he cannot transfer that property?

Mr. GARNEAU: No, because he would not be the owner of the property in which he resided.

If he ceases to be the owner of the property, the value of the premises in which the veteran resides shall be taken into account only to the extent that it exceeds \$1,000. So if he ceases to be an owner of the property by divesting himself of its value, I am afraid we will have to consider that under section 18 which I quoted a while ago.

Mr. BEECH: He is really being penalized because he has the property. Lots of people have property and get the veterans allowance.

Mr. GARNEAU: Yes. If they are married recipients they are allowed \$2,000. If they are single, they are allowed \$1,000 in the form of personal property, but if they take any amount in excess of these permissible amounts and turn it over to a son, daughter, or a friend, thus enabling them to come under the war veterans allowance, we cannot ignore such a situation.

Mr. BEECH: He is already getting the war veterans allowance.

Mr. GARNEAU: Do you mean that that man is transferring the property to his son or daughter and continuing to reside on that property?

Mr. BEECH: That is right.

Mr. GARNEAU: Or is he just giving over the property to his son and daughter and moving elsewhere to live.

Mr. BEECH: I will try to make myself clearly understood. This lady had the property and she sold it and turned the mortgage over to her son. Now, you explain under the act she cannot do that because you take it for granted that she has the money, even though she did turn it over to her son. My question is this: If she had just transferred the property to her son, would she have lost her interest in the war veterans allowance?

Mr. LALONDE: If she was residing in that property and was benefiting from the exemption given under the act and she disposes of the property there was no need to apply the exemption under the act any more. She would continue to receive her veterans allowance, if she still resided in that property.

Mr. BENEDICKSON: On a point of presumption, with respect to the cost to the recipient for room and board, I notice that you have certain presumptions as to the cost to the recipient of war veterans allowances of income from room and board. I was wondering when the figures were last revised?

Mr. GARNEAU: I think it was 1954.

Mr. LALONDE: Are you talking about the revenue from room and board?

Mr. BENEDICKSON: You say on page 16 of your pamphlet that when the cost is not known you have a presumption the cost to the recipient of providing board only is \$35 per month and that the cost of providing room and board is \$50 per month.

Mr. LALONDE: We reviewed the regulation with respect to that and told our district authorities that in all cases they should assess the actual difference between the gross revenue and the net revenue, because we think that is the fairest formula. If a person was charging \$50 and it cost that person \$40, then \$10 is all you should be charged as income. It will take a little while before we are able to educate all the recipients to keep the necessary vouchers to show that this is what they have received and this is what they have spent. We hope to generalize that formula rather than take the arbitrary one.

The CHAIRMAN: Are there any other questions?

Mr. HERRIDGE: I keep bobbing up, but I take advantage of the opportunity to get information. One of the problems I am running into is that these people have been earning more than they are allowed to under the act. Some do it quite innocently and others, I suspect, not quite so innocently. I know of a number of cases where a man in question, without understanding the act, earned more than he should and had his allowance cut off. In one case, a man in receipt of war veterans allowance was persuaded by the officer commanding of a certain unit to go and act as janitor at \$100 a month. He told him it was casual labour. You can understand the man accepting that advice. Later he was cut off and he had to resign his position. He finally put himself in the position where he had to pay a small amount back. Is

there some way of doing more than is done at present to bring to the attention of the people in question the wisdom of communicating with departmental officials before undertaking any of these things?

Mr. LALONDE: The pamphlet to which Mr. Benidickson was referring a moment ago has just been mailed to our recipients. It is the third time we have mailed them a copy of such a pamphlet in the last six or seven years. It is mailed individually to them. It tells them in the pamphlet what the rules are and if there is anything they do not understand, to get in touch with us.

Mr. HERRIDGE: I am glad to hear that. I am thinking of something less expensive which could be sent out more frequently. Take, for example, such things as you get in pension cheques.

Mr. LALONDE: We have had some sad experiences with those stuffers. We found that when we tried to condense a group of instructions in a short sentence, half of the time we were not able to make ourselves absolutely clear. I remember at one time we put in a stuffer and I think it was with the war veterans allowance cheque; it had to do with a revision and we were flooded with telegrams because everybody thought that the allowance was being discontinued, and that this was a new deal. It is very, very difficult to put this type of instruction in a short paragraph. It might be desirable to serve as a reminder to the recipient to go back and look at this periodically. We have perhaps do more than we have been doing.

Mr. GARNEAU: May I again repeat that the veteran who applies is requested to notify district authorities of any change in his financial or domestic circumstances. Then the investigator who follows up the case at the time of application normally explains to him what is required. He is told that if he moves out of Canada or if he does this or that, he is to let us know. We will help him or put him on guard against something that might cause him some trouble a little later on. A year after, an investigator calls on him, as a matter of routine checkup, to see how he is getting along and so on. He is told at that time that if he has any difficulties he is, without hesitation, to write or bring it to the attention of the district authorities. But besides the pamphlets, the application form, the notice of award of allowances when he is awarded an allowance, our form 7 tells him that any information which he requires is always available if he has any doubt about anything.

Mr. HERRIDGE: I am very glad to hear what has been done, and yet with all that is done, and it is the same with all these types of legislation, I quite frequently run into these questions. Roughly speaking, what percentage of the total recipients have to have their allowance stopped because of not reporting earnings?

Mr. LALONDE: I was asking some of our officers the same question. Unfortunately, we do not have the figure here, but we can get it for you. The one thing that runs through my mind is that of cases of overpayment where we have to take action to collect. These cases come to my attention. The percentage in the last two or three years has been rather small.

Mr. HERRIDGE: Would you say it is improving?

Mr. LALONDE: Very definitely, I think. We will try to get the exact figures showing the percentage of over-payments compared with the number of recipients.

Mr. HERRIDGE: That is an illustration that your educational program is working to some extent.

Mr. BROOME: Colonel Garneau, what difficulties would be involved in policing the payment of war veterans allowances if they were payable in the United Kingdom?

Mr. GARNEAU: First of all, I am afraid that the basic difficulty would be that we would lose touch so to speak, or lose control over those recipients because of the means test that is attached to the legislation.

We have just touched on a few points this afternoon on which we have to keep an eye, a matter of too much income, transfers of property, and what have you. It will be very difficult from the standpoint of administration to follow those situations up. One must not forget that there are not only Canadians who are eligible under our act. There are Belgians, French, the allies on so on. It would require an information service that would be, I think, quite difficult to put into effect. We would not be able to keep track.

Mr. BENIDICKSON: How many male recipients of war veterans allowances are there under 55 years of age?

Mr. LALONDE: You mean under 60?

Mr. BENIDICKSON: Yes?

Mr. GARNEAU: 4,881.

Mr. BROOME: How would that compare with the previous year?

Mr. LALONDE: That is the total.

Mr. BROOME: I was trying to find out the increase.

Mr. LALONDE: Oh, you mean the increase during the year?

Mr. GARNEAU: He will have that for you in a moment.

Mr. BEECH: I had a case the other day of a chap who was under 55 when he died and was getting the war veterans allowance. His widow had three children and the moment he died of course the allowance was discontinued, and the wife could not qualify because she is under 55. There is nothing you can do about that?

Mr. LALONDE: The allowance was continued for a year?

Mr. BEECH: Yes.

Mr. GARNEAU: It is a matter of the woman's own eligibility then; if she is handicapped or disabled, we can. In that case she would be eligible in her own right for the war veterans allowance, or rather for the widow's allowance although under 55.

Mr. BEECH: But she was in good health.

Mr. GARNEAU: There is nothing we can do in such a case. She would have to qualify in her own right.

Mr. BROOME: The increase in cost to the war veterans allowance and other benefits shown on page 611 and \$9 million and a few odd thousand, of which most occurred in world war one. Is it the opinion of the department that that is reaching a levelling out figure, or is it on the incline?

Mr. LALONDE: It will go up again.

Mr. BROOME: It is 14 years since the end of the war.

Mr. LALONDE: It will go up for four or five years, and then it will start declining.

Mr. BROOME: And then we will be losing Mr. Herridge and so on and so on?

Mr. LALONDE: The answer to your second question is that for the fiscal year 1956-57—at the end of that fiscal year there were 5,278; so there has been a decrease of about 400 during the year.

Mr. BROOME: Do you anticipate these world war one benefits to decline drastically? Is it pretty well at the peak point, or what do you think?

Mr. LALONDE: Speaking from memory, I know we made a survey of this about 1½ or 2 years ago, and we found that 1960 was the peak point. Then it levelled off for about four years and then it started to decline at a fairly steady rate.

Then ten years after that the world war two veterans would be getting into the older age bracket—because we are not getting any younger. This would make up the difference, and by 1986 we would reach the real all time peak.

Mr. GARNEAU: Every time the provisions of the act are made a little more generous, it admits a larger number of veterans who might not heretofore have been eligible.

I have here some figures as of November 30, 1957 when we had on allowance veterans of world war one to the number of 35,343.

According to the latest return as of April 30, the number is now 36,299, and that is world war one still, because the act has been broadened a little bit by virtue of one year's service in England and the ten years residence, clause thereby increasing the number of recipients by reason of additional eligibility.

The CHAIRMAN: Have we completed 481, gentlemen.

Item 481 agreed to.

483. War veterans allowance—\$58,066,500.

Item agreed to.

484. Assistance fund (War veterans allowance)—\$2,000,000.

Are there any questions on item 484?

Mr. BROOME: Is it the assistance fund which provides an original payment up to \$100? Is that what is referred to here?

The CHAIRMAN: Would you like to have an explanation?

Mr. BROOME: Is that assistance fund payable by a board of three men here?

Mr. LALONDE: No. It is dealt with by the same group who deal with war veterans allowance applications. It comes directly under the district authority in each district. It is really a supplement to the war veterans allowance for veterans who have no other income.

One of the problems that has been before previous committees, and before the minister fairly often, has been the income ceiling which at the moment, for a married veteran, is \$145 a month, enabling a veteran with other income to receive \$145 a month.

The basic rate has always been lower. At the moment it is \$120 a month, and the assistance fund was designed to help those veterans or widows who had no other income and therefore could only receive the basic rate.

The assistance fund is always available in an amount up to the maximum representing the difference between the basic rate and the income ceiling.

Last November when the basic rate was \$120 and the income ceiling was \$135 a month, the assistance fund available was \$15 per month.

But that income ceiling was raised to \$145, therefore \$25 a month became available for assistance. And that is one of the reasons there is an increase in the vote for this year. It has gone up because the expenditures under the assistance fund have gone up tremendously in the last three years.

I think in the last three years they went from something like \$600,000 a year up to \$2 million now. Yes, there is an increase of about \$475,000 between the two last fiscal years.

Mr. BENIDICKSON: To how many persons is the assistance fund allowed to be paid?

Mr. LALONDE: During 1957-58 11,819 received help under the assistance fund.

Mr. BENIDICKSON: Have we the average monthly figure?

Mr. LALONDE: That is a bit hard to come to, Mr. Benidickson, for the reason that there are a number of recipients, let us say, who are married and have \$5 to \$10 other income. They would still be eligible for the difference between the basic rate and other income and the income ceiling. So it would be misleading to attempt to give you an average. Some received \$25 and others \$10 and yet both received the maximum income under the ceiling.

Mr. ORMISTON: Would these be in respect of World War I veterans?

Mr. LALONDE: Very definitely.

Item agreed to.

Item 485 stands.

Item 653 stands.

The CHAIRMAN: That completes our consideration of the war veterans allowance.

Mr. BROOME: I must confess they are getting off a great deal lighter than are the army, navy and air force.

The CHAIRMAN: We still have a half hour remaining, I believe. Could we proceed to the series called miscellaneous payments?

486. To provide for payments to the Last Post Fund; for the payment under regulations of funeral and cemetery charges, including the perpetual care of graves where applicable; for the cost and erection of headstones in Canada; for the maintenance of departmental cemeteries; for the maintenance of Canadian battlefields memorials in France and Belgium; for Canada's share of the expenditures of the Imperial War Graves Commission; and for production of Books of Remembrance—\$1,431,970.

The CHAIRMAN: Is there any discussion on item 486?

Mr. HERRIDGE: I am glad to have the opportunity also to say a word on this fund, because this is one section of the Department of Veterans Affairs, and the only one, about which I have some criticism to make, or rather to make in respect of the administration of it. In my opinion those who administer the fund do not take enough notice of local conditions and circumstances. I am inclined to think that these decisions are made somewhere down in an office in Montreal in effect by a female without much heart. That is my opinion from what I understand of the situation.

If there is a case, such as one of which I know, where the poor widow in an isolated place does not understand the regulations, and even the local branch of the legion from which she seeks information is not acquainted with it, and there may be a technical violation of the regulations and if it is a very worthwhile case she should not be denied assistance. I had a case recently of a veteran who died in an isolated place reached only by a steamer service. The widow went to the legion and apparently they were not too well informed. There was a slip up in complying with the procedure. They were quite difficult circumstances because the regulations were not lived up to the letter. She was, as a result, faced with very large funeral expenses. I am quite sure if a telegram had gone forward and had all the facts been known there would have been no hesitation involved in giving this widow some assistance in respect of funeral expenses. I would like Colonel Lalonde to explain the working of the fund in order that we might see what could be done to meet these situations which occur from time to time. Death is always rather sudden. I have seen these situations, as far as my experience is concerned, occur from time to time throughout the years.

Mr. LALONDE: Mr. Herridge, this is rather a difficult question for me to answer on a delicate subject. As you know, the Last Post fund is an incorporated body under a dominion charter. They have been given, under that charter, certain authority and certain rights. The only relationship which exists between the department and the Last Post fund as a body is that we

provide them certain sums of money under regulations which authorize us to provide that money for the purpose; but we as administrators do not interfere with the method used by the Last Post fund board to carry out the functions which, as you know, relate to more than the veterans for whom we pay them these amounts. They have funerals for other than those covered by our regulations. It is pretty difficult to tell them you will do this in this case and that in another case. We have given them terms of reference under which we will reimburse them for the cost of a funeral.

Perhaps, indirectly, your observation raises the question; would it be preferable to have this type of thing administered by the department, or is it preferable to continue to do it through an independent body? I really do not know what the answer is.

Mr. HERRIDGE: In my experience over quite a number of years, I would think it would be much better if the Last Post fund were administered by officials of the department. I know it is a board, but boards of that type are inclined to leave their decisions, and answers to inquiries, to a permanent staff in the office and there is sometimes a tendency when they are getting along in years or long in office to become somewhat orthodox in their approach and not understanding fully the circumstances which exist in the country as fully as would the officials of the department who are going around the district who know the circumstances. I would certainly, personally, commend to members of the committee that you will be very pleased to see the administration of this fund, under the direct control of the department.

The CHAIRMAN: Are there any further questions under item 486?

Mr. BENIDICKSON: How much of this vote goes to administration?

Mr. LALONDE: You are referring to the administration of the last post fund?

Mr. BENIDICKSON: Yes.

Mr. LALONDE: This covers both. It covers the cost of burials, which was, incidentally, increased last fall. That is, the maximum payment that the Department of Veterans Affairs makes to the fund was increased from \$110 per burial to \$175. This, of course, gives them much greater leeway.

We also increased the contribution towards the administration costs from \$8,500 to \$15,000 per annum. We hope this will be satisfactory, but we have not had enough experience to know as yet.

Mr. HERRIDGE: Would it be possible to get figures from Colonel Lalonde as to the total applications for assistance under the last post fund and the number of applications that were rejected?

Mr. LALONDE: We would not have those statistics, Mr. Herridge. We could find out how many cases the last post fund looked after and charged us for during the year but we would not know how many applications they received in all.

Mr. HERRIDGE: Would it be possible for this committee to call a witness with whom we could discuss this matter?

Mr. LALONDE: During the last four fiscal years we paid for 804 burials in 1955-56; 788 burials in 1956-57; 825 burials in 1957-58, and we estimate it at the same number for 1958-59. It is a pretty steady figure.

Mr. HERRIDGE: These figures would then indicate that out of the total number of veterans dying in Canada annually there are about 800 cases that warrant assistance from the last post fund?

Mr. LALONDE: Yes, but the last post fund is only one method by which the department looks after the burial of veterans.

If you look at the details of this vote you will see that we spend more money than is spent out of the last post fund in looking after burials of veterans for whom we are responsible.

Mr. HERRIDGE: I realize that but the average is about 800 that are eligible under the last post fund?

Mr. LALONDE: Yes.

Item agreed to.

The CHAIRMAN: Any further questions?

Mr. ROBINSON: Mr. Chairman, for my own curiosity I would like to get some information. I understand that a chap who is receiving a war veterans allowance and who owns at least part of his home, who passes away, would be buried by the last post fund, but if he was living in a rented home he would not be buried by this fund, and his widow would have to look after it? I am speaking of the case where there would still be assets in the form of insurance, for example, after he died?

Mr. LALONDE: You are referring to the rule of the last post fund as to how much cash assets a veteran may leave to his estate and still be eligible for burial by the last post fund?

Mr. ROBINSON: Yes, and supposing the amount of insurance that we had was less than the amount that he would be allowed to have while owning a home?

Mr. LALONDE: I do not have a copy of the regulations covering the amounts that are considered to be sufficient.

Mr. ROBINSON: I am familiar with a case of a world war II veteran where that situation occurred just recently. I was just wondering if I understood the situation correctly. I was given to understand that if the amount of money that he had left had been invested in his home his burial expenses would have been paid by the last post fund.

Mr. LALONDE: It would also depend on whether or not he had dependents.

Mr. ROBINSON: Yes, there was a widow and family left. They had very little money, just a bit of insurance.

Mr. LALONDE: I would have to check with the chief executive assistant, to find out what amount they consider would be sufficiently low that they would pay for the burial.

Under our regulations we are allowed to pay for the burial of a veteran who is liable to become a public charge. The last post fund either looks after him or we do. That is as far as we can go. I would have to find out what the means test is in that regard.

Mr. ROBINSON: If the amount of money that he left had been invested in a home would he then be considered a public charge? The difference here was that the money was left in insurance. It was not invested in a home. That is the only question I was wondering about.

Mr. LOCKYER: If a veteran died suddenly, how much time would be allowed in order to check the amount of the assets or equities?

Mr. LALONDE: I know that they have representatives across Canada. They are usually informed right away. Sometimes veterans organizations look after the burial and then inform the last post fund of the problem. There have been cases of argument where, for instance, a branch of the Legion went ahead and buried a veteran, and then found out that the veteran had assets totalling more than was allowed by the last post fund.

Mr. HERRIDGE: That happens quite frequently.

Mr. LOCKYER: I can understand that on account of the short time that elapses.

Mr. LALONDE: However, I must say that the increase in the amount that they have at their disposal makes it easier for the last post fund to deal with a greater number of cases.

Mr. HERRIDGE: I wonder if it would be a good suggestion that the last post fund should inform all undertakers of their regulations?

Mr. ROGERS: Do not worry; they know it.

Mr. LALONDE: Mr. Herridge, we are of course dealing directly with undertakers in respect of burials for which we are responsible, and I find that the undertakers are very much au fait of everything.

Mr. LOCKYER: I would suggest to Mr. Herridge that it is not the undertaker that is dead, he is quite alive.

Mr. STEARNS: I had to bury a veteran in January. He had made me the executor of his estate. I knew that he had been hopelessly in debt and that if I accepted his estate it would cost a lot of money. He died in a veterans' hospital. I informed them that he had nothing and that probably his estate would have nothing. I did not intend to accept the responsibility anyway. They buried him, and as his documents came to me I simply sent them back, refusing to sign them. I do not think there is any question but that the hospital authorities and the doctors in the district knew of the circumstances and looked after this situation. They looked after it very well whereas, if I had accepted the responsibility of attending to his estate, I might have found myself in possession of something I did not want.

I did not receive an undertaker's bill and I was wondering if your department had paid the cost of the funeral directly to the undertaker.

Mr. LALONDE: If a veteran died on our treatment strength, or if he died of his pensionable condition, we ask the next of kin whether they want us to handle the burial or not. If they want to handle it themselves it is quite all right with us except that we tell them our regulations only permit us to pay so much for the burial. If they want to pay extra, that is their business. If they wish to have us look after the burial then we make all the arrangements and conduct the funeral. We get the bill directly from the undertakers so that the next of kin do not have to bother about it at all.

Mr. HERRIDGE: There is never any trouble in respect of funerals administered by the Department of Veterans Affairs.

Mr. SPEAKMAN: When a veteran dies on strength his family is permitted, of course, to pay additional costs for a better type of funeral?

Mr. LALONDE: That is correct.

Mr. SPEAKMAN: They can do that without endangering the payment made by the Department of Veterans Affairs?

Mr. LALONDE: Correct.

Item agreed to.

488. Miscellaneous Payments—Grant to Canadian Legion—\$9,000.

Item agreed to.

The CHAIRMAN: As 488 is carried, that concludes the section under miscellaneous payments.

It is now approximately 5:15 and if we were to proceed, we would proceed to the Veterans Land Act. What are the wishes of the committee?

Mr. HERRIDGE: I move we adjourn. We have done pretty well for the one day.

Mr. BROOME: Before we rise, could the chairman advise when Brigadier Melville will be present. I have to be away one day and I desire to be at that meeting.

The CHAIRMAN: Yes, we hope to have the chairman of the pension commission here a week from this coming Monday.

The next session will be a week from today, next Thursday morning at 10:30. I believe at that time we will have the treatment branch before us. Pardon me, after consultation with Col. Lalonde, it appears that our program next Thursday will be the Veterans Land Act.

Mr. BROOME: Will the committee be called for 10 or 10:30?

The CHAIRMAN: 10:30 next Thursday. Is that agreed?

Agreed.

The committee adjourned.

HOUSE OF COMMONS

First Session—Twenty-fourth Parliament

1958

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

Estimates 1958-59 of the Department of Veterans Affairs

THURSDAY, JULY 3, 1958

WITNESSES:

Mr. T. J. Rutherford, Director, Veterans Land Administration; Dr. John N. Crawford, Director, General Treatment Services, Department of Veterans Affairs; Mr. Lucien Lalonde, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

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Bigg	Lennard	Rogers
Broome	Lockyer	Speakman
Cardin	Macdonald (<i>Kings</i>)	Stearns
Carter	MacEwan	Stewart
Clancy	MacRae	Thomas
Denis	McIntosh	Webster
Fane	McWilliam	Weichel
Forgie	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé
Clerk of the Committee

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 268,
THURSDAY, July 3, 1958.

The Standing Committee on Veterans Affairs met at 10:30 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Beech, Broome, Carter, Clancy, Denis, Dinsdale, Fane, Forgie, Herridge, Houck, Kennedy, Lennard, Lockyer, Macdonald (*Kings*), MacEwan, MacRae, Montgomery, Ormiston, Parizeau, Peters, Regnier, Roberge, Rogers, Speakman, Stewart, Thomas, Weichel.

In attendance: The Honourable A. J. Brooks, Minister of Veterans Affairs, and Messrs. L. Lalonde, Deputy Minister, F. T. Mace, Assistant Deputy Minister; L. A. Mutch, Deputy Chairman, Canadian Pension Commission; G. H. Parliament, Director-General, Veterans Welfare Services; F. L. Barrow, Departmental Secretary, J. G. Bowland, Chief, Research and Statistics; C. F. Black, Superintendent, Veterans Insurance; Dr. John N. Crawford, Director-General, Treatment Services; Messrs. T. J. Rutherford, Director, Veterans Land Administration; J. G. Falardeau, Chief Treasury Officer, Veterans Land Act; W. Strojich, Superintendent, Property Division, Veterans Land Act; Robert Bonnar, Superintendent, Secretarial Section, Veterans Land Act; and Mr. E. J. Sivyver, Administration Officer, Veterans Land Act.

At the opening of the proceedings the Minister introduced Dr. Crawford to the Committee.

Mr. Lalonde gave answers to some questions asked at the previous meeting on June 26, 1958.

Item 492 was taken into consideration. Mr. Rutherford was called. The witness read part of a brief, copies of which were supplied to each Member of the Committee present. On motion of Mr. Lennard, the complete brief of 17 pages was taken as read. Many questions were directed to Mr. Rutherford concerning the administration of the Veterans Land Act.

Items 492, 493, 494, 495, 496, 497, 519 and 520 were severally considered and approved.

Item 476 was taken into consideration and Dr. Crawford was called. The witness explained the administration of the Treatment Services of the Veterans Affairs Department in the various hospitals throughout the country.

At 12:35 o'clock p.m. the Committee took recess.

AFTERNOON SITTING

The Committee resumed at 3:30 o'clock p.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Batten, Beach, Carter, Clancy, Denis, Dinsdale, Fane, Herridge, Kennedy, Lennard, Lockyer, Macdonald (*Kings*), MacEwan, MacRae, Montgomery, Ormiston, Regnier, Rogers, Speakman, Stewart, Thomas, Webster.

In Attendance: All officials of the Veterans Affairs Department shown as in attendance at the morning sitting with the exception of officials from the Veterans Land administration.

Dr. Crawford continued his presentation and was questioned thereon at length. During this witness' questioning Mr. Mace and Mr. Lalonde gave answers to a few questions directed to them.

Items 476, 477, 478, 479 and 485 of the Main Estimates and items 652 and 653 of the Supplementary Estimates, concerning Treatment Services, were severally considered and approved.

At 4:50 o'clock p.m. the Committee adjourned to meet again at 10:30 o'clock a.m. Monday, July 7th.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

THURSDAY, July 3, 1958.

10:30 a.m.

The CHAIRMAN: We have a quorum gentlemen and we will proceed immediately.

This morning we have the minister with us and also some additional officials of the department. I think it would be helpful Mr. Minister if we could have an introduction of the members of the department who are appearing for the first time.

Hon. A. J. BROOKS: (*Minister of Veterans Affairs*): Well, Mr. Chairman, I am very glad to be here this morning. I do not know how long I will be able to stay but when I introduced the staff the other day, Dr. Crawford, who is the director general of our treatment services was not here. I should like to introduce Dr. Crawford now to the committee.

I would also like to introduce Brigadier Rutherford who is in charge of the Veterans Land Act. I understand, Mr. Chairman, that the Veterans Land Act is coming up this morning for consideration. You will get a lot of information from our director.

The CHAIRMAN: Thank you very much Mr. Minister. Colonel Lalonde, the deputy minister informs me that he has some answers to questions that were held over from our last session.

Mr. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): Yes, Mr. Chairman. There was one question asked by Mr. Broome. The question had to do with the number of veterans who had service in Canada only in both world wars and what would be the estimated cost of making them eligible for war veterans allowance.

In order to arrive at an estimate of the cost we have to make certain assumptions. The first assumption that we have to make is, that the question asked by Mr. Broome referred only to those who had volunteered for active service. That is the first assumption we made in figuring out the number.

The second assumption is that in this group, the ratio of those who would ask for the allowance would be the same as the ratio is now for veterans who are at the moment eligible for war veterans allowance. For the same purpose we also assumed that the ratio of their widows would be the same as for the widows of veterans who are at the moment eligible for the allowance. We also had to assume, in arriving at a figure, that the present rates and ceilings would remain in effect. As members will understand, any change in the rates or ceilings would change the estimates which I am about to give you.

We also had to assume that the conditions of eligibility would remain the same. Taking all these assumptions into consideration we estimate that there would be an additional 18,000 veteran recipients in 1958 at a cost of an additional \$16,600,000.

Mr. THOMAS: Would you say that again.

Mr. LALONDE: \$16,600,000 for the year 1958-59. Also for the year 1958-59 there would be an additional number of widows, estimated at 4,500 at an additional cost of \$3,300,000 per year, making a total additional annual liability for the moment of \$19,900,000.

Projecting this figure to the peak year to which I referred the other day, the year of 1986, when the world war II veterans would have reached age 60, we estimate that the number of veterans who would be eligible with service in Canada only and with an enlistment for active service, would be 45,000. The additional annual liability for this group would be at that time \$41,500,000.

We also estimate that at that time there would be 11,250 additional widows in receipt of the allowance, for an additional annual liability of \$8,200,000, or a total additional annual liability in 1986 of \$49,700,000 for this group.

Mr. BROOME: Is that the answer to my question?

Mr. LALONDE: That is right, Mr. Broome.

Mr. BROOME: I just got in.

The CHAIRMAN: Are there any queries?

Mr. ROGERS: I understand, Mr. Lalonde, that this included world war I and world war II veterans.

Mr. LALONDE: That is right, sir, both world wars.

Mr. ROGERS: You have not got the figures of world war I separately?

Mr. LALONDE: Well, I can supply that at the next meeting.

Mr. ROGERS: That is the one that is of interest to me.

Mr. THOMAS: Mr. Lalonde, are veterans who served in Canada only in both world wars now eligible?

Mr. LALONDE: You mean dual service. Under certain conditions, yes. These are people who served both in world war I, and world war II in Canada only on active service. What Mr. Rogers is asking,—and I want to make sure of the question,—is that we divide the figures that I have given you between world war I and world war II. We will provide that information at the next meeting, Mr. Rogers.

The CHAIRMAN: Mr. Ormiston has a question.

Mr. ORMISTON: What would be the ratio between those who served overseas and those at home in relation to those figures you just gave? A rough estimate would do. I am just curious.

Mr. LALONDE: I would prefer to check our figures and give our answer at the next meeting at the same time as we give the separate answer for world war I and world war II. I can give you the ratio as it applies to those who served overseas in both wars.

Mr. ORMISTON: I see; and thank you, sir.

Mr. BROOKS: It would be almost 50 per cent of those getting the war veterans allowance now—16,000, or about 33½ per cent.

Mr. LALONDE: Eighteen thousand would represent approximately 40 per cent of those who are now receiving the allowance. The other question was asked by Mr. Herridge and it had to do with the percentage of recipients of war veterans allowances who had their allowance stopped because of not reporting earnings. We have done some extensive research into our statistics and while, Mr. Herridge, I am not able to separate those who are discontinued because they did not report their earnings, I can give you the percentage during the last two years of all those who were discontinued either because they did not report their earnings, and it was found out that they did not or because they had reported their income, and it had put them over the ceiling.

Mr. HERRIDGE: That would be quite satisfactory.

Mr. LALONDE: The percentage for the last two years represents .7 per cent; of the total liability; in other words less than one per cent.

Mr. HERRIDGE: I am very pleased to hear that. I am surprised.

Mr. LALONDE: I told you it was not too bad.

There was another question asked by Mr. Robinson concerning the means test for the last post fund, and I said that as we did not administer this, I would inquire and find out what the means test was. I am informed that where there is a widow or child the last post fund will not reduce the cash assets of the estate below \$1,000. This includes insurance, but not the value of the home. Where there is no dependent the fund claims from the estate whatever the amount of the estate may be. This is the rule by which they are governed.

The CHAIRMAN: That concludes the outstanding questions.

Mr. LALONDE: No, Mr. Chairman, there are still one or two more, but we are in the process of preparing the information and it will be given at subsequent meetings.

Just to keep the record accurate, Mr. Chairman, I might mention that at page 38 of the report of the previous meeting there is an error in one of the figures. There is a figure quoted on page 38 by Mr. Parliament referring to supplementay payments made to universities. The figure quoted is \$840,549. This figure should read \$17,840,549. There is a "17" that slipped somewhere.

The CHAIRMAN: Gentlemen that brings us to the soldiers settlement and the Veterans Land Act.

Mr. THOMAS: Before we go on with that, may I say I was unavoidably absent at the last meeting. I had to stay in the house to speak in the budget debate, when veterans allowances were under consideration. I had a question that I mentioned once before to bring up on veterans allowances. I wonder if we could revert to item 473.

The CHAIRMAN: It is quite permissible to refer to any branch, because we have stood the first item, as you know, Mr. Thomas. However, the chairman of the war veterans allowance board, Mr. F. J. C. Garneau, is not with us this morning.

Mr. THOMAS: This was a question which I believe we decided the minister should answer when present. It has to do with policy. The question is the interpretation given the word "service" during the first world war. I had rather an interesting case brought to my attention. It is that of a young man who enlisted in the first world war. He was under age, but he was in uniform and served for, I believe, several months. Then he was discharged because he was under age. In the second world war he volunteered for service but was not fit to be sent overseas I believe. Again he was in the services for a time. The ruling in his case was that his service during world war I, while he was in uniform and carrying out commands in doing fatigue work and the like around the camp, that service was ruled to be not service as defined in the departmental regulations. Now that is my understanding of it, and I wondered if we could have that clarified.

Mr. BROOKS: Yes, I think you wrote to the department, did you not, Mr. Thomas?

Mr. THOMAS: I believe I did.

Mr. BROOKS: Yes, I recall your letter. This young man was never taken on active service. He was under age, and when they found out that he was under age, he was not taken on active service. If I remember correctly that was the case.

As at matter of fact I have seen other cases too, where the young men in the militia were in uniform during the first and second world wars and they worked around the camps, and so on, where there were men on active service. But these men still remained in the militia, although they were in uniform and they were never taken on active service. I think the point was that they were never sworn in on active service because they were not of the proper age.

Service in both wars, as I understand it, means sworn in for active service overseas or wherever they may be. But I will check on that again, Mr. Thomas. The act says of course if a man was on active service in both wars that he is entitled to war veterans allowance if he passes the means test. I think that is the point that you raised and wanted to find out why it was he could not get war veterans allowance if in uniform in the first world war and also in uniform in the second world war.

I remember other cases that were the same as that, or practically the same, where the man was in the militia but was not on active service in both world wars.

Mr. FORGIE: Would he not be attested if he had been taken on the strength of the active service?

Mr. BROOKS: Very often. I remember in both wars that very often a man volunteered and was brought into the camp and it was quite a while from the time he came in until he was taken on active service. This may be one of those cases. We will check on that again because it is a very good point.

Mr. THOMAS: I ran into another case where it seems that even being attested was not considered enough. That was the case of a man who was attested for service in the first world war. He was sworn in, but released for a few days until they would be ready to put him in uniform. He went to work for the old Grand Trunk Pacific Railway and was helping some soldiers unload guns. While unloading the guns a plank broke and a gun fell on him. And all of these years since the first world war he has been drawing workmens compensation from the Canadian National Railways. But there was a case where a man was attested.

The army would not accept any responsibility for the accident. They would not accept him as being in the army, so his case came up for workmens compensation under the Canadian National Railways.

Mr. BROOKS: Well he might have been on leave without pay.

Mr. MONTGOMERY: They were never taken on strength anyway.

Mr. BROOKS: He would have to be on the strength. However, there are a lot of these exceptional cases which are hard for a lot of us to understand, but there are technicalities. Take the young man under age who enlisted; he would enlist under false pretences, and that also would be a disqualification. He made a false statement and said he was older than he was. And he will be penalized for it. But there were many eager boys who did that, and unfortunately it did react against them later on. There is a section in the act which provides that they cannot take advantage of the benefits if they enlist under false pretences.

Mr. MONTGOMERY: I have been a criminal all these years.

Mr. BROOKS: Well, it is to your credit. But, that is the situation.

Mr. BROOME: Mr. Chairman, may I suggest that a review of the meeting hours of this committee be made by yourself, particularly in conjunction with Mr. Smith. This committee and the estimates committee have more meetings than any others, and they are two of the most important ones. Could they be staggered a little bit differently. The estimates committee is to sit from 11 o'clock to 1 o'clock. We begin at 10:30. If we could begin perhaps earlier in the morning there might be a chance for members who are on both committees to attend both. These are two of the largest committees which also meet more often. I have to run to the other committee. We may not even have a quorum.

The CHAIRMAN: I agree with you, Mr. Broome, that this is one of the most important committees. I understand that the chairmen of the various committees are going to get together to see if they cannot work out a suitable formula for meeting times. But we are up against this problem: there has been resistance to simultaneous sitting with the house, which gives us very few mornings in which to operate.

Mr. BROOME: I was hoping we might begin earlier. Can we do something along that line? As I see it, the major conflict is between these two committees. Railways, Canals and Telegraph Lines or Banking and Commerce will probably have not more than three or four meetings this session.

The CHAIRMAN: I am at the wishes of the committee. We began at 10 o'clock last week and that was considered too early; but perhaps we can have a meeting of the steering committee and review the whole problem.

Mr. BROOME: Perhaps we might start earlier in the morning.

The CHAIRMAN: I might point out that the budget debate is continuing in the house today, which would provide an opportunity for a session this afternoon. If that is the wish of the committee, we will consider that before we break up this morning.

While the minister is here, gentlemen, are there any more questions in connection with the point that was raised by Mr. Thomas a moment ago?

Mr. THOMAS: Mr. Chairman, are there regulations laid down as to where we would find interpretations of "services" that are being used? Are they set out?

Mr. BROOKS: There is a definition of "services" in the War Veterans Allowance Act and also in the Pension Act. There is a definition under the heading of "definitions" in all these acts.

Mr. THOMAS: Yes I understand that but there would be interpretations which would be used by the departmental officials.

Mr. BROOKS: Yes.

Mr. THOMAS: That is the interpretation in which I am interested.

Mr. BROOKS: There are legal interpretations, of course, and opinions, so the deputy minister tells me, for Justice, as they are in practically all our acts, not only in our veterans legislation but also in labour. There are Justice interpretations of these; and they are legal. Of course they are followed by the different departments.

Mr. CARTER: There is one point that perhaps makes our interpretations a little different from others, in that if there is any doubt, the veterans are supposed to be given the benefit of it.

Mr. BROOKS: Oh yes. You have not brought up anything new there.

Mr. CARTER: It does not apply to labour or other departments.

Mr. BROOKS: It may on the compensation boards.

Mr. HERRIDGE: The minister is an exponent of that philosophy.

Mr. BROOKS: I have been for a good many years.

Mr. SPEAKMAN: While the minister is here perhaps I might refer a question I asked last week with reference to the Veterans Land Act, and establishment. It was the question of forfeiture of reestablishment credits by active service settlers, and I believe this may be a matter also of policy.

Mr. BROOKS: We are discussing Veterans Land Act items this morning, and Brigadier Rutherford is here. I should prefer that you question him.

Mr. SPEAKMAN: I think, sir, this might be a matter of policy on which Mr. Rutherford could not express any views.

Mr. BROOKS: We expect to review the Veterans' Land Act next session and whatever changes are made in policy will have to be announced at that time. As the minister I could not announce a policy today because it is government and not ministerial policy. I would prefer to give consideration to this with my colleagues and announce it later.

The CHAIRMAN: Can we proceed gentlemen?

Soldier Settlement and Veterans' Land Act—

492. To provide for the cost of administration of Veterans' Land Act; Soldier Settlement and British Family Settlement \$5,249,350

519. To provide for protection of security—Soldier Settlement, and refunds of surplus to veterans \$4,550

520. To provide for purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment; and for protection of security under the Veterans' Land Act \$14,827,250

654 To authorize and provide, subject to the approval of the Governor in Council, for necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act to correct defects for which neither the veteran nor the contractor can be held financially responsible and for such other work on other properties as may be required to protect the interest of the Director therein—Further amount required \$4,000

The CHAIRMAN: The director of this branch has prepared a brief on the activities of the Veterans' Land Act. I believe a copy has been distributed. It is a very comprehensive and interesting document. Perhaps it would help to provide some pegs on which to hang our questions if Mr. Rutherford could outline the brief which you have in your hand. I do not think it is necessary to read it in its entirety; but we could have a brief outline, if that is the wish of the committee; or do you wish to proceed directly into the questions?

Mr. HERRIDGE: I have been perusing this and I think it is an excellent explanation and should be in the record in full, not only for the benefit of the members of this committee but also for the benefit of those who, throughout the country, read the minutes and proceedings of the committee.

The CHAIRMAN: We have the suggestion of Mr. Herridge that this document be taken as read and printed in the official report. Is that your wish?

Mr. HERRIDGE: It would make for a duplication if the director summarizes these paragraphs and then we had the complete brief from the director. I have patience at least and I would like to have the director read this brief and give us an opportunity to mark the points on which we would like to ask questions.

The CHAIRMAN: Are you still presenting the motion that it be printed in the report?

Mr. HERRIDGE: I move that the director's brief be read to the committee and the reading of it would give us an opportunity to analyze it correctly and prepare for questions.

The CHAIRMAN: You made the original suggestion that the document be published in its entirety.

Mr. HERRIDGE: I meant that it should be read in its entirety.

The CHAIRMAN: What about the tables?

Mr. HERRIDGE: I am not making that suggestion in respect of the tables.

Mr. SPEAKMAN: I think it would be better if we had an opportunity to study this at our leisure; it is a long document.

Mr. HERRIDGE: I am willing to agree with the majority.

The CHAIRMAN: What is the wish of the committee?

Mr. THOMAS: Could we defer this to a later meeting so as to give us an opportunity to read through it and then we could discuss it in detail?

The CHAIRMAN: I do not quite follow your point. Do you wish this item deferred?

Mr. THOMAS: I was suggesting that we could study this at our leisure instead of having it read this morning, then we would be in a position to bring up questions and have answers at that point.

The CHAIRMAN: But we have the Veterans' Land Act before us this morning.

Mr. STEWART: I move that we hear the director now and have this put in the minutes.

Agreed to.

Mr. T. J. RUTHERFORD (*Director, Soldier Settlement and Veterans' Land Act, Department of Veterans Affairs*): Mr. Chairman, Mr. Minister and gentlemen, the Veterans' Land Act was placed on the statute books during World War II and was designated as "An act to assist war veterans to settle on the land". It provided for loans to qualified veterans of up to \$6,000 to be expended for the purchase of land, livestock and equipment for use in full-time farming, part-time farming and commercial fishing establishments. To qualify for an establishment in any of these, a veteran must have an honourable discharge; have overseas service or, if his service was in Canada only, be a pensioner or have at least 365 days of paid service.

Contracts may be for up to twenty-five years, and the money advanced bears interest at $3\frac{1}{2}$ per cent. Title to the property purchased remains in the director's name until it is paid for. At the time of settlement, the veteran is given an agreement for sale which provides that, if he fulfils the terms of his contract for ten years, the cost to the director of the livestock and equipment purchased for him together with $23\frac{1}{2}$ per cent of the cost of real estate, in all not to exceed \$2,320, is to be written off as a grant; which grant is in lieu of his re-establishment credit or university training to which he might otherwise have been entitled. In other words, he can have only one of the three alternative benefits.

The act also provided that a grant of \$2,320 may be made on similar terms to veterans settled on dominion or provincial crown lands or to Indian veterans settled on Indian reservations.

Since there was no provision in the original legislation for the earning of this grant should the veteran arrange to sell his first property in order to buy another more suitable property and thus improve his position or where the veteran was moved by his employer and wished to sell and buy in his new location, the act was amended in 1949 to provide for a continuing establishment on a new property. This amendment, which added nothing to cost, has made it possible to administer the act in a much more helpful and business-like way.

In 1954 the act was again amended, this time by adding two new parts—

Part II provided assistance to qualified veterans wishing to build their own homes on city-sized lots, the title to which lots would be passed to the director as security for advances made during the period of construction. While Part II did not provide for a free grant, neither did it involve forfeiture of re-establishment credit. The benefits it gave consisted of training in house construction at construction schools organized by the administration, supervision of the work, and interest-free advances of up to \$8,000 during the period of construction, also free legal service in the transfer of title to the property back to the veteran and in drawing a mortgage in favour of C.M.H.C.—who repay the advances made by the director and carry the loan after the house is completed. This new provision has worked out very well and has already made it possible for 1,581 additional veterans to build their own homes. There will be more houses built under Part II this year than in any previous year since this amendment became effective.

Part III provided for additional, fully repayable, 5 per cent loans of up to \$3,000 in the case of full-time farmers, and \$1,400 in the case of small holders and commercial fishermen; the term of both loans to be for the balance of the term of the original contract.

The extra \$1,400 made available for a small holding establishment has revived this type of settlement—which by 1954 had commenced to dry up due to the limitations of the loan then available. However, since Parts II and III were passed, construction costs have continued to rise gradually and the \$8,000 now available is no longer sufficient to build a modern home even with the builder providing the lot. In spite of this and due largely to the savings made possible by our "Build Your Own Home" program, 1,413 veterans were able to build new homes during the past fiscal year, which is slightly higher than during the previous year.

The additional \$3,000 made available to farmers has been very useful, but since the most pressing requirement of the majority of our farmers is additional land in order to round out their enterprise to economic proportions, this extra \$3,000 is seldom, if ever, enough to meet the cost of any land units which become available for purchase within easy reach of the home farm. The other great need is for more and better basic herd livestock, but Part III loans are not available for this purpose. As a result of these two factors, only 3,175 farmers have yet taken advantage of additional loans under this part of the act. The minimum cost of an economic family-sized unit, including basic herd livestock and the necessities in the way of equipment, is today in the range of \$20,000 to \$25,000.

Organization and Administration

For the purposes of V.L.A. administration, the settled parts of Canada have been divided into 237 supervision fields. Each of these fields is the responsibility of a resident farm credit advisor (or field supervisor, as they were previously called). Since time is the essence of success in most of our work and since the judgment of a well-trained and experienced man on the ground is generally as good or better than one can expect to find at higher but more remote levels, much of the wide discretion vested in the director under the act is now being exercised as far out as field level. For this reason, we consider our farm credit advisors, who work directly with the farmer, to be the key men in our organization. That is why during the past ten years we have placed so much emphasis on their selection and on their active and progressive on-the-job training in matters pertaining to rural appraisal, modern farm organization, production planning, production-line methods as applied to farming, credit use and credit administration.

Although the number of accounts varies from field to field, depending on the ratio of farms to small holdings and the area which has to be covered, the actual workload as between fields is equalized as much as possible consistent with the minimum of chopping and changing of field line-fences. We believe it is most important that, wherever possible, the same credit advisor who vouched for the veteran at the time of his qualification, who appraised his property and negotiated for its purchase and for the purchase of his livestock and equipment, and who helped him to organize his unit and plan its future development, should be the same man who is held responsible for his success and loan repayment.

Fields are organized into regions of which there are 32, each under a regional supervisor. Regions vary considerably in area and in number of accounts. Generally speaking, their size is a compromise between these two factors.

In addition to the general supervision of the work and on-the-job training of the credit advisors working within the region, the regional supervisor (or his assistant, in the larger regions where he has one) sits as the chairman of the regional advisory committees. These committees, which include local

farmers, assist in the decision as to the qualification of the applicants for settlement on the type of enterprise they intend to establish, and whether the farm is considered suitable for such an enterprise. If suitable, the committee also recommends whether it should be purchased, having in mind its productive value as appraised by the credit advisor and the price being asked by the seller; if the price is not suitable, they recommend the amount which should be offered. The non-staff members of a regional advisor committee for any particular sitting are selected from a list (kept at regional offices) of suitable and available farmers—generally one or two farmers who are familiar with the area in which the veteran lives or is asking to be settled will sit on the committee with the regional supervisor. The credit advisor attends with the veteran and his wife. These meetings are quite informal and do much to impress the veteran with the importance of the step he is taking and the serious consideration which is being given to every aspect of his case. This is important, particularly if his application has to be turned down.

The regions are grouped into eight districts. These are: British Columbia, with headquarters at Vancouver—Superintendent, W. H. Ozard; Alberta (which includes the Peace River Block of B.C. and the Yukon and Northwest Territories), with headquarters at Edmonton—Superintendent, W. G. O'Brien; Saskatchewan, with headquarters at Saskatoon—Superintendent, I. L. Holmes; Manitoba (which includes Northwestern Ontario) with headquarters at Winnipeg—Superintendent, R. M. Wynn; Western Ontario, with headquarters at London—Superintendent, R. W. Pawley; Eastern Ontario, with headquarters at Toronto—Superintendent, H. L. Armstrong; Quebec, with headquarters at Montreal—Superintendent, M. L. Lafontaine; Atlantic (which includes the four Atlantic provinces), with headquarters at Saint John, N.B.—Superintendent, C. H. Scott. Five of these districts have almost the same number of accounts; while the Atlantic, Manitoba and Quebec districts, in that order, have somewhat less than the others.

Except for title documents, many of which are prepared and all of which are thoroughly checked and filed at head office, practically all transactions are finalized at district level with head office exercising a post-audit control. Head office deals with matters of policy, organization and standard procedures, also with the development of our extensive staff training program.

Apart from the act and regulations, we have few of what might be called "hard and fast" rules. We find it works much better to lay down principles for guidance since there is a natural human tendency to hide behind a rule book, and this sometimes appears even at higher levels where people are paid to exercise their judgment and discretion in the interests of fair dealing and sound business practices.

We have one rule which we call "The Golden Rule of V.L.A." and which we suggest is applicable to practically every difficult decision. It is this: "Could our minister justify the action I am about to take, as he may have to do, before the parliament and people of Canada, as being within the act and regulations and in the best interests of the veteran concerned, and fair and just as between veteran and veteran, and as between the veteran and the public?" This rule, based as it is on the highest of democratic principles, can only fail where the individual fails, or where he neglects to apply it.

All staff are taught to watch their public and veteran relations, and we endeavour to double check correspondence going out to the public and to our settlers to ensure that it is courteous, friendly and readily understood by those unfamiliar with our legislation and procedures. Strangely enough, we now believe that one of the most important factors in our good veteran relations is the excellent state of our collections since it is generally always the people who, for some reason or other, we have permitted to get into arrears who start finding fault with the government or our administration as to the unfairness

of the legislation or the way in which it is administered. When a settler gets behind, it is everybody's job to pitch in where they can and help his supervisor to provide him with the assistance necessary to get him back on his feet or, if he is up against an impossible situation, to assist him to get into some other type of work for which he is better suited. What can be done in this regard is well exemplified in our Moncton region (which is the one in which our minister resides). They have over 1,300 accounts and not all, by any means, in prosperous communities, yet for six years in succession March 31 has found them without a single cent due and owing. This is the result of very fine teamwork among staff and veterans, each helping the other and all helping the fellow who gets into difficulties.

Settlement and Collections Statistics

Up until March 31, 1958, 75,301 veterans had been settled under the act for a total expenditure of \$380,594,000 for land, livestock and equipment; this in addition to the considerable excess paid by the veterans themselves when the cost of the property was greater than the loan. Of the 75,301 settled, 12,777 had already repaid their indebtedness and received title to their properties; 4,549 had transferred their equity in their properties to other veterans who became established under the act; 1,984 had quit claimed their properties back to the director, some due to failure to make a "go" of things and some for strictly administrative or other reasons; 616 had vacated provincial lands on which they had been settled by their provinces and towards whose settlement V.L.A. had made a contribution but, of the 75,000 settled, only 174, or less than three out of every thousand, had to be put off their property for failure to live up to their contracts.

As of June 30, 1958, including prepayments on account, we had already collected 106.5 per cent of all principal and interest due and owing to date. On the same date, only \$589,000 was due and outstanding, or an average of \$10 per settler. Most of this represented small current amounts, since less than 2 per cent of all settlers had more than \$200 due and outstanding.

In our home construction program we have now passed the 25,000 mark and, of these homes, a large majority have been built by the veterans themselves acting as their own contractors under supervision by V.L.A. construction supervisors and after attending a V.L.A. construction school. Generally speaking, it is fair to say that the homes built in this way are better than those built for us by outside contractors and are certainly much cheaper.

Current Work, Small Holding Settlement, and Part II Construction

During the last fiscal year, we established 1,685 new small holders which compares with 1,342 who completed their payments and received title. During the same time, 856 commenced house construction on small holdings and 557 on city-sized lots under Part II for a total of 1,413, which is slightly more than in the previous year. In each year about 85 per cent of all construction was done by veterans acting as their own contractors.

Except for a considerable number who were originally settled as small holders but who are now, to all intents and purposes, full-time farmers and will soon be transferred to that classification since they are now making all or the greater part of their living from the operation of their holding—small holders, once established, involve comparatively little field work. Sixty-six per cent of all small holders are now paying either by sending in, once a year, a book of twelve post-dated cheques or by pension and salary assignment. These very satisfactory arrangements constitute a considerable saving in administrative and postage costs. Of a total of 32,000 current small holding accounts only $\frac{1}{4}$ of 1 per cent are as much as \$100 in arrears with their payments.

Up to the present, when calculating workload as between field areas we have considered five settled small holders as being equal to one farmer. However, after we have reclassified those small holders who are now actually full-time farmers, this ratio should change to something like 8 to 1. At the district superintendents' conference last fall, some consideration was given to putting the administration associated with small holdings and part II housing under the construction division, at least insofar as the work in the field is concerned. It was considered that if our present 80-odd resident construction supervisors were to take over the administrative and development work in connection with our small holdings and part II housing, which is largely in and around the centres where these construction supervisors live and operate, it would release a number of highly-trained credit advisors who now spend considerable time on this work but whose training and experience could be put to much better use working with our full-time farmers. With some extra training in appraisal, landscaping and horticulture, it is now considered that, before too long, the construction supervisors could handle this work in addition to their construction duties.

Current Workload Full-Time Farmers

During the past fiscal year, we settled 435 full-time farmers, including those assisted on provincial lands, while during the same period some 2,400 farmers completed their payments and were given title to their properties.

Of those who paid up, a considerable number did so in order that they might obtain a \$15,000, 5 per cent, 30-year loan through the Canadian Farm Loan Board for the purpose of expanding their enterprises to more economic proportions. In many cases, this change-over was made on the advice of our V.L.A. credit advisors who realized their urgent need for more capital and, in many cases, helped them to calculate their extra credit requirements.

On the other hand, there are a considerable number of farmers whose entire loan has been liquidated under a crop share agreement but who do not desire to take title because they want the continued benefit of our advisement service.

The Veterans' Land Administration entered the farm settlement field at a time when many existing agricultural production methods and the type of farm organization on which they were based were already obsolete, and was faced with no other alternative than to buy into this set-up. The small amount of credit available—only $\frac{1}{3}$ of that available to soldier settlers in Australia and New Zealand—forced the Administration to buy in at levels well below the average for a Canadian family farm unit even at that time.

The relatively favourable relationship, which existed for some years after the end of the war, between the price of farm products and the cost of what the farmer had to buy, was a Godsend to V.L.A. farm settlers, as was also the availability in some areas of remunerative off-the-farm employment by which many were able to supplement their farm income. That V.L.A. settlers were able to survive and to build up and pay for their units as well as they have, is a matter of great credit to themselves and to our field staff who assisted them by making sure, first, that they obtained the best possible value for the very limited amount of money available and, second, that they were supplied with help and guidance in the appraisal, purchase, organization and management of their farm units in accordance with their individual needs.

The results have been quite favourable, in that the number who have given up their farms has been very small and the number of those who have had to be put off for non-compliance with their contract has been a small

fraction of 1 per cent. Collections, too, have been excellent and this was accomplished without any apparent or high-pressure collection program but, rather, by building up the ability to pay and by stimulating the will to pay on the part of each and every settler.

Good as they are for the chance they have had, I fully realize that, while our farm settlers have been relatively successful under very adverse conditions, many of their units are still below average and most are considerably below the standard of a sound economic unit.

Survey of Progress and Future Credit Requirements of V.L.A. Farm Settlers

For some years past, this administration has been preparing to make a survey that would give us a true picture of the progress made by our farm settlers to date. This survey is now under way. It includes, in the case of each farm enterprise which has the potential for success, a calculation of the amount of additional credit required to put it on a sound economic family unit basis. This survey also brings out the exact purposes for which additional credit is now required and the extent and nature of the security that would be available. It also reflects the effect that changes in their production pattern, which farmers say they would put into effect if ample credit were available, would have on future production trends as related to probable future market requirements.

Such a survey, in order to give a complete and accurate picture of progress and credit requirements, necessarily involved the making of a careful "Appreciation of the Situation" in the case of each farm unit survey and the making, at least in skeleton form, of an integrated plan. All this was necessary in order to calculate the amount of credit required to bring the enterprise to economic proportions, to decide how such credit could best be used, and to calculate what additional income its use would make possible within the limitations of the labour resources available on the farm.

The principal purpose of this survey was, of course, to create the opportunity for a full and frank discussion with each farmer, during which the credit advisor could assist him in making an appreciation of his present situation, and of the possibility of further progress under an integrated plan developed along production-line principles and supported by adequate credit, if such credit appeared to be indicated as being a requirement necessary to expedite progress towards an economic unit and an adequate income.

The results taken from a recapitulation of the first 3,000 survey forms received are quite revealing and most interesting in the light of wide discussions relative to farm income and the credit requirements of agriculture which are taking place at the present time.

Present Income

Net income, including farm perquisites and an allowance for rent of home	\$ 3,291
Amount of income required to give an average standard of living, including farm perquisites and allowance for home rent	4,368
Average amount which, after careful consideration in each case, it is estimated could be earned if necessary reorganization and/or refinancing were carried out (after providing for carrying charges on the additional indebtedness)	5,218
Increase over present income—\$1,927 or 58%.	

Net Worth

The average Net Worth of the settlers, including the Conditional Grant of \$2,320 as if earned at time of settlement	\$ 5,117
The average Net Worth as of December, 1957, an average of 8.3 years after settlement	13,433

Proposed Changes in Farm and/or Farm Enterprises

Of the 3,000 farm units analyzed, 822 would appear to be best advised to continue as at present, with the same farm and the same type of enterprise; 511 should continue with the same land but change enterprises to a greater or lesser extent; 880 should enlarge farm but continue same enterprise; 378 should enlarge farm and change their enterprise; 65 should sell present farm and buy a better one; 276 are now, or should be, operating their farm only as a small holding on which to live and to supplement their income, the chief source of which would be from other employment; 68 should sell their farm and seek another type of employment.

Credit Requirements

The average total credit required by the settlers in order to put their units on an economic basis is \$9,823. This is made up of: balance of V.L.A. contract debt still outstanding—\$2,288; credit presently extended from other sources—\$839; additional credit required—\$6,696. As security for this, after the additional credit is expended there would be resources available on the average of \$23,256, or two and one-half times the total average credit requirements. The range of total credit needs is from \$0 to \$40,000, with the greater majority in the range of \$5,000 to \$20,000. Of the 3,000 surveyed, only 7.8 per cent require total credit of over \$15,000, and only 2.1 per cent require total credit in excess of \$20,000.

The change in the production pattern would be somewhat as follows:

Cash Crop, Bread Grain.....	81% of present
Cash Crop, Coarse Grain	67% of present
Cash Crop, Oil Seeds ..	74% of present
Cash Crop, Vegetable & other Row Crops	87% of present
Cash Crop, Fruits	177% of present;

and in the number of livestock maintained on the farms:

Dairy Cattle	107% of present
with a production by 1965 of	130% of present
Beef Cattle	170% of present
Sheep	189% of present
Hogs	166% of present
Poultry	90% of present.

A comparison of this trend with that in "Future Market Requirements" as predicted in the "Report of the Royal Commission on Canada's Economic Prospects", would indicate that it is most satisfactory if we are to avoid continuing annual surpluses of hard-to-sell products and probable shortages of those food products which it is predicted will be in high and ever-increasing demand.

The ills of Canadian agriculture are not so much due to prices of over-production as they are to high production costs. A farmer may still do well at present prices where he has sufficient good land, high-utility buildings,

basic herd livestock and modern equipment to complement his labour, and provided he is organized on a specialized production-line basis and is a good manager. However, if he is operating a poor or undersized unit or if his farm organization and management is not of the best, he is, generally speaking, living off his depreciation and gradually going in the hole.

If our poorer land were put back into trees or organized as community pastures, if the uneconomic farm units were enlarged or absorbed by others in their process of enlargement, and if production could be realigned more in accordance with present and prospective market requirements, Canadian agriculture, still based on economic family farm units, should prosper with the times. This result can not be brought about by any degree or type of regimentation but can be attained through the medium of well directed and, where necessary, carefully supervised credit.

Ample credit made available to men who, like the vast majority of our V.L.A. settlers, have proven their ability to use a small amount of capital to their own and the national advantage, would speed the day when our surplus agricultural products would find markets abroad because they would be more in line with what people want, and lowered production costs would make it possible to sell at a profit.

While it is still the exceptional V.L.A. farmer whose farm has reached the status of a modern economic farm unit, we now know that the great majority are on their way and will get there somehow. The chief task of this administration from now on is to see them through the remainder of the way. Fortunately, we saw this situation coming early on, with the result that we now have a staff of farm credit advisors who are recognized as experts in fields of land appraisal, farm organization, production planning, credit requirements (always enough but never too much), and credit use (exploit success but never reinforce failure).

Other industries can obtain credit based on a moderate ratio of equity to loan, provided they furnish the credit agency with a satisfactory plan or prospectus, provided their management after a careful check is found to be competent, provided they keep proper books and furnish an annual statement to the lender, and provided the purposes for which the credit is to be used appears to have a good earning potential. Why not the farmer, and why should he not be prepared to comply with the same business-like conditions? We have reason to believe that most V.L.A. farmers are, and that they are anxious at the present to put their farms on a more economic basis and gear them to produce a standard, readily marketable product at the lowest possible cost.

No farmer-veteran who has proven himself as having the potential for better things, and who has, of his own, at least 25 percent of the required capital, must ever be found among those who will have to give up farming in the rather tough but probably necessary period of adjustment through which the industry is now passing. That is, not if the V.L.A. staff can help it, and with your help we can.

The CHAIRMAN: Thank you, Mr. Rutherford, that outlines the operations of the branch. I think it will be helpful particularly to the new members of the committee.

Will you occupy this chair, Mr. Rutherford, during the question period. There is just one point for clarification at this point with reference to the publication of this document. There are a series of charts in the back which will delay printing considerably if they are duplicated in their entirety in the committee report. I am wondering how far you wish to go with this.

Have you any questions to ask of Mr. Rutherford? Perhaps we will relate your questioning to the estimates. We are now on item 492 which has to do with administration and which covers any question, of course.

Mr. MACDONALD (*Kings*): Will Mr. Rutherford tell us if there has been any reduction in staff due to the advancement of his program? I presume that there is less work required as time goes on.

Mr. RUTHERFORD: As of 1947 we had a staff of 1704. I might say that our peak staff was, a few years before that—it was—1865; by 1947 it was 1704; by 1950 it was 1360; by 1955 it was 1082 and it is presently 958.

Mr. LOCKYER: About half the peak.

Mr. HERRIDGE: Would you explain to this committee how the advisory committees are appointed.

Mr. RUTHERFORD: They are appointed by order in council, Mr. Herridge. The people available to sit on advisory committees are appointed by order in council, generally speaking on our recommendation of some farmer in the community willing to give his time and who is suitable. The list is kept, of region and the regional supervisor selects the men who are most conversant with the district, and with the veteran concerned. There are one or two men, not always two on each sitting. Of course the credit advisor and the veteran and his wife are there also.

Mr. MONTGOMERY: How are they paid?

Mr. RUTHERFORD: Their expenses, and \$15 a day.

Mr. LENNARD: For every day?

Mr. RUTHERFORD: For every sitting day, yes.

Mr. MONTGOMERY: Would it be a very big job to furnish the committee with the list that is provided each superintendent's office?

Mr. RUTHERFORD: No. We have that prepared already. I can bring it with me to the next meeting.

Mr. MONTGOMERY: For each district?

Mr. LALONDE: I gave you at the first meeting of the committee, the list of Veterans Land Act district and regional offices.

Mr. MONTGOMERY: No, that is not the one I mean.

Mr. RUTHERFORD: We have that list. We prepared one for the minister not very long ago and we can have it duplicated for you.

Mr. SPEAKMAN: That goes right down through the regions?

Mr. RUTHERFORD: Yes, it is on a regional level.

Mr. SPEAKMAN: I should like to ask, Mr. Charman, if that could be provided for the committee.

Mr. RUTHERFORD: Yes we can do that.

Mr. MACDONALD (*Kings*): How often do they normally meet?

Mr. RUTHERFORD: They meet when there is work to do. If there is a rush case, they would meet for that one case. If there are quite a number of cases they may accumulate these and meet, say, two weeks and hear several at one setting. We try not to hold any up. Sometimes we use one committee man more than another, as some are better than others on this type of work.

Mr. MONTGOMERY: They meet generally when purchases have been made.

Mr. RUTHERFORD: When veterans are being qualified and purchases are being made.

Mr. MONTGOMERY: Now if you were going to dispossess a veteran would that committee be called in?

Mr. RUTHERFORD: The act provides that before the director can dispossess a veteran his case must be heard by a provincial advisory board. This board consists of the district superintendent for the district and of a representative who is nominated by the Legion, and appointed by order in council—but always nominated by the Legion—and a district or county court judge.

Mr. MONTGOMERY: In that area?

Mr. RUTHERFORD: No. One district county court judge is selected for each province. He is not paid, but he gets his expenses.

Mr. MACDONALD (*Kings*): I was interested in the statement on page 9 where you say: "We had already collected 106.5 per cent of all principal and interest". Is it possible that the 106.5 per cent being over 100 per cent will come anywhere near looking after the administration expenses of the V.L.A.?

Mr. RUTHERFORD: It will come to a very considerable amount—6.5 per cent on over \$100 million. It is the payments that are made in order to prepay accounts. For instance, the 965 crop share agreements in Saskatchewan alone account for prepayments of \$1,200,000, this because of the good crops they have had. We get a lot of prepayments and we have many people who, when they get a bit of money, pay us up and take their title. Some, particularly the farmers, leave the title with us.

I might say that at the present time our own credit advisors are advising men to pay us off and go to the Canadian Farm Loan Board, where they can get \$15,000 at 5 per cent, if they need extra money which we cannot supply. These men are paying us off on our own advice. We say, "We can't give you more credit: go and get it when you can. You have securely, you need the money. Pay us off with part of what you get". Most of them are getting help in this way. A farmer at the time he earns his grow has only about \$2,200 to pay; he can pay us off and get a \$15,000 loan, which he needs; That is responsible for some prepayments at the present time.

Mr. MACDONALD (*Kings*): Then we can probably assume that this scheme will not cost the taxpayers any money in the long run.

Mr. RUTHERFORD: Yes, it will but administration costs only, and that is considerable.

Mr. MONTGOMERY: This prepayment does not mean there is extra money.

Mr. RUTHERFORD: No. It is money that is paid in advance before it is due.

An hon. MEMBER: Less interest?

Mr. RUTHERFORD: You will remember we have some arrears, many are old amounts of less than \$10 each. We have very few poor risks. However, we have a number who are in special arrears. These are only about 2 per cent of our farmers and I think only a quarter of one per cent of the 32,000 small holders are in arrears as much as \$100.

Sixty-six per cent of our small holders are making their payments under special arrangements, either any books of 12 postdated cheques, or by salary and pension assignments. This is something we have been stressing, because it does help up to keep down our administration and collection costs. The collections from 66 per cent of our small holders are all prearranged and come in on their own.

Mr. WEICHEL: Which province has the most veterans under this act?

An hon. MEMBER: Pretty close to the same.

Mr. RUTHERFORD: These are the numbers by districts of those that are still with us but over 12,000 have paid us and taken title. British Columbia 8767, Alberta 7299, Saskatchewan 7459, Manitoba 5223, western Ontario 9279, eastern Ontario 9442, Quebec 4103, Atlantic 6030.

The CHAIRMAN: From what table were you reading, Mr. Rutherford?

Mr. RUTHERFORD: I was reading from the second page of the tables in this summary which we put out quarterly. In it you find all the names of the credit advisors and their locations throughout Canada, also all the districts and regions. I brought it for you because I thought you would find it interesting to see how well the boys in your own constituencies are paying up.

The CHAIRMAN: Mr. Rutherford is referring to the second document placed in your hands this morning. It is the quarterly comparative summary as of April 20, 1958.

Mr. ORMISTON: Mr. Chairman, I was going to ask some questions regarding Indians on reserves who take advantage of the Veterans Lands Act. Am I deviating too much from the topic at hand?

Mr. RUTHERFORD: No; the number is around 1200.

Mr. ORMISTON: I was wondering particularly about the security for the department on Indian reserves. Does it conflict with the Indian Act?

Mr. RUTHERFORD: No, it is under the administration of Indian affairs. They expend the money and look after it. The money is voted through our appropriation; that is about all we have to do with it. Of course, if the Indian agent wishes, he may call in our construction supervisor or our credit adviser. —This they often do—in the case of a farmer who needs advice, or if a veteran is building a house, they will call in our construction supervisors to help, but apart from that it is administered entirely by the Indian Affairs branch through the Indian agent on each particular reserve.

Mr. HERRIDGE: Naturally with the development of our economy there are numbers of cases where veterans properties have to be crossed by new highways, by pipelines and power installation. In our district there was a gas pipeline built last year. Some of the people in charge came from Texas, and actually forgot they had come to Canada. They started to bulldoze a right-of-way through the properties of several veterans.

For the future, Mr. Rutherford, I should like you to explain to the committee what is the usual procedure when you have to deal with a veteran's property being traversed by a public utility, by a highway, by a pipeline, or something of that sort?

Mr. RUTHERFORD: To show that this is not a small matter, there were over 1200 easements last year which we had to arrange for with respect to our properties. It is a matter of negotiation between the veterans and the expropriating authority. Our function is to evaluate the loss to the veteran. We have to consider many things including forceful taking, which is worth something. We also consider separation.

As the dividing of property may lower the value of what is remaining much more than on an acreage basis. The legislation in your province, I understand, Mr. Herridge, does not permit damages for separation, but in other provinces, as far as I know, the veteran can get a good allowance for both separation and for forceful taking.

These are matters of negotiation. The federal government is the only authority which can expropriate legally at the present time without the consent of the veteran. So we have to negotiate, and I think our results are fairly good as we have very few dissatisfied veterans. At the present time, there is a question of whether or not a veteran should be compensated for loss of his conditional grant where he is not taking a second establishment. This is a matter of law, and is at the present time being considered by the Department of Justice.

Mr. Beech knows all about that particular case. We also have a case in your province Mr. Herridge where a veteran had almost earned a conditional grant when his property was expropriated.

Mr. HERRIDGE: My point was, Mr. Rutherford, what steps does the veteran take? For instance, in this case I mentioned, this blighter arrived with a bulldozer without any prior notice to the veteran. He started to bulldoze a right-of-way through the small holding. The veteran got in touch with me on the telephone and I told him to get in touch with the district supervisor at Nelson. He immediately stepped into the picture. What steps should a veteran or a group of veterans take when they know their properties are going to be crossed by a public utility?

Mr. RUTHERFORD: He would be well advised to come to his local credit advisor before he negotiates at all. That is the advice we give.

Mr. HERRIDGE: And the department always makes a point of doing its best to protect the interests of the veteran?

Mr. RUTHERFORD: Yes.

Mr. BEECH: I was going to raise the same point, Mr. Chairman. A veteran completes his contract and he gets his conditional grant. If for some reason beyond his control he cannot complete that contract, then unless there is negotiation he loses those benefits. It seems to me there should be some protection under the act to provide, where a veteran is having his land expropriated, that he shall not lose his benefits.

Mr. RUTHERFORD: Our stand is that the expropriating authority should pay. We do not think it should come out of our vote, even though it is a matter of the federal government.

Mr. BEECH: I realize it is a matter of policy; but it seems rather unfair to the veteran that he has to be dragged into the courts to get a settlement. There should be some protection under the act.

Mr. RUTHERFORD: That is before Justice now.

Mr. STEWART: Are the titles in your department?

Mr. RUTHERFORD: The title is vested in the Director; but the veteran has rights, and he is the most interested party. We are there as his protector.

Mr. HERRIDGE: Would this help because this has happened a number of times in my constituency. A member is at a loss as to what to do. Would it be wise for your branch or administration to notify each veteran who is settled as to the course of action to take should expropriation be considered by any other authority? For instance in British Columbia it is under the Pipeline act or the Public Utilities Act, or the British Columbia government.

Mr. RUTHERFORD: I think it would be a very good thing, Mr. Herridge. I am not sure whether we have done it before or not or whether the districts may not have done it.

Mr. William STROJICH (*Superintendent, Property Division, Soldiers Settlement and Veterans Land Act Branch*): Generally we have advance notice from pipeline companies and power lines and such things as that.

Mr. HERRIDGE: Not if they are run by Texans.

Mr. STROJICH: I say "generally". The district superintendent generally negotiates and lays down the procedure followed. We have our own easement forms. They are very detailed to permit protection of the director of security, not only the part that is being taken for the actual easement area, but to cover such things as damage to the property, such as vehicles tearing down fences and receding the pipeline area and so forth. In those cases we have had, I must say, very good cooperation from the various utilities and pipeline companies. The odd firm does come in, but as soon as our field men know that

they are in the immediate vicinity they contact at once the proper authority that is putting through the pipeline, and we generally come to some understanding. We have not had too many cases, I must say, where they have gone in holus bolus and taken over the area. Some of our best appraisers are in British Columbia and I think they do a marvellous job of protecting the interest of the veterans.

Mr. HERRIDGE: Oh yes, this matter was finally settled later to the satisfaction of the veterans. At first they did not know what to do. I think that in two cases the veterans, without realizing what the law was and that the title was in the Veterans Land Act administration, actually signed an agreement with the company and that sort of thing. Would it not be a good idea to advise all the veterans where to go for advice?

Mr. RUTHERFORD: We will do that, Mr. Herridge. I think it is being done, as Mr. Strojich says, as soon as we know of a pipeline going through. But many of individual cases have occurred because of the widening of roads. In some cases we do not know a thing about it until the veteran is approached and has agreed to take so much money.

Mr. BEECH: I would just like to make a comment on this part II. I notice that the director has mentioned the fact that the \$8000 is rather small. He does not make any mention of the costs of land in urban areas. This part II is one of the most successful housing projects that the government has instituted, I know in our metropolitan areas we are running into cases where the land costs are having an effect. I hate to see those costs prohibit people in the urban areas taking advantage of the act which as I say has been most successful. I do hope that some consideration will be given to that.

Mr. RUTHERFORD: Perhaps the minister will have something to say on that.

Mr. MACDONALD (*Kings*): I have a question on the previous problem Mr. Herridge brought up. Does the director receive the full reimbursement for such appropriations?

Mr. RUTHERFORD: Yes, it is paid to the director and it is applied to the veteran's account. In many cases it cancels it out and the veteran gets the balance.

Mr. HERRIDGE: What has been the result of the provision in the act for direct grants to veterans settled on provincial land? Could you give us the picture in that respect?

Mr. RUTHERFORD: I mentioned that there have been something like 600 veterans who have vacated provincial lands. These are largely in two provinces. The arrangements are made by the province. We have very little control. I do not think that is too important.

Since I have been director we have not encouraged provincial land settlement too much because I feel that there is a lot of good land that is serviced with schools, telephones and churches and in organized communities that could be better developed into sound Agricultural Units. There is a big potential for developing such land before we go so far afield. Some of our provincial land settlement has been very successful in other places it has been difficult. There is the cost of clearing, and the cost of servicing Farms with roads, and schools and that sort of thing which today runs pretty high as compared with agriculture prices. I think there are better investments which we can make for settlers than to put them out on the wilds. However under some circumstances it has been very successful.

Mr. HERRIDGE: But in districts such as the one I represent, Mr. Rutherford, there are increasingly more opportunities for settlement on provincial lands right on roads.

Mr. RUTHERFORD: That is correct, Mr. Herridge.

Mr. HERRIDGE: And in some places with poor, small holdings, men work in sawmills or in the woods and places like that. What was done to attract the provincial governments? I am thinking in one instance of a whole section of lovely land alongside the upper Arrow lakes. There is a road being built right through that property.

Mr. RUTHERFORD: I am glad to know about it.

Mr. HERRIDGE: If there were not less than ten veterans settled, the British Columbia Power Commission would be willing to give them power. There are good water facilities there, creeks every half mile or so. What is your administration doing in trying to get the provincial government to place a reserve in an area like that, if there is a possibility of getting a dozen or so more veterans in rather than the provincial government disposing of it to others?

Mr. RUTHERFORD: It is rather the exception to find such services available on provincial land. We do settle a number of veterans in parks on Dominion Lands under similar conditions. Opportunities of that kind do not turn up very often and we would be very interested if they are veterans who wish to be settled on such lands. We have a similar area at Kitimat that we are working on at the present time.

Mr. HERRIDGE: There is a wonderful opportunity for these three acre holdings.

The CHAIRMAN: Is item 492 carried.

Item agreed to.

Items 493, 494 and 495 agreed to.

Soldier Settlement and Veterans' Land Act—

496. To provide for the reduction of indebtedness to the Director of Soldier Settlement of a settler in respect of a property in his possession, the title of which is held by the Director, or such Soldier Settler Loans which are administered by the Indian Affairs Branch of the Department of Citizenship and Immigration, by an amount which will reduce his indebtedness to an amount in keeping with the productive capacity of the property or his ability to repay his indebtedness under regulations approved by the Governor in Council \$1,000

Mr. SPEAKMAN: I wonder, Mr. Chairman, if the director could speak on this.

The CHAIRMAN: Item 496 is to provide for the reduction of indebtedness to the director of soldier settlements of a settler in respect of a property in his possession.

Mr. RUTHERFORD: There has been an appropriation for this for a number of years. It permits us to negotiate with the soldier settler for settlement of his account in order to clean up the very small residue of soldier settlement accounts that were on our books. These accounts have been reduced now to 27.

Of these four have been negotiated and they are paying on a time basis still. Of the remaining 23, nine are not eligible as being "settlers" as defined by the act. Five are eligible but wish to pay off their indebtedness in accordance with their contract. We approached them and asked them if they would like to consider a settlement. They said "no, we have had a fair deal and wish to pay up in full" which is very commendable.

Seven do not qualify under the provisions of the order in council in that their present circumstances do not warrant a reduction. It is not necessary to go into this but I can assure you that they are very well-to-do people. Others are not particular about getting title. At the present time they would rather leave the title with us. Two are eligible and qualify for a reduction but for various reasons have not made an offer. Negotiations are, however, being continued in these cases.

Mr. ROGERS: This is Indian agents?

Mr. RUTHERFORD: No this is the residue of the soldier settlers including Indians. We have of course on the soldier settlement books today still—774 civilian purchases.

Mr. SPEAKMAN: And how many actual soldier settlers remain?

Mr. RUTHERFORD: Twenty-three.

Mr. SPEAKMAN: Those are the ones I mean.

Mr. THOMAS: In connection with this grant on Indian lands, maybe this question concerns the whole administration of the Veterans Land Act. Is there any cut-off date when the Veterans Land Act ceases to apply?

Mr. RUTHERFORD: No.

Mr. THOMAS: Or can people become settled under the act or Indians take advantage of these provisions in the future?

Mr. RUTHERFORD: As long as their reestablishment credit is intact.

An hon. MEMBER: That is 1960.

Mr. RUTHERFORD: There is another act. I think that is the date, yes.

Mr. LALONDE: That is the time limit before which they must have repaid their credit, if they want to qualify for Veterans Land Act establishment, January 1, 1960.

Mr. ROGERS: Is there any time limit where a veteran can apply for assistance under the Veterans Land Act?

Mr. RUTHERFORD: No.

Mr. THOMAS: If he has used his reestablishment credits and fails to repay them by 1960 he would be automatically out?

Mr. RUTHERFORD: That is right.

Mr. MONTGOMERY: Does this act apply to the Korean war veterans?

Mr. RUTHERFORD: Yes, it does apply to the Korean war veterans.

The CHAIRMAN: Is item 496 carried?

Item agreed to.

The CHAIRMAN: We now come to item 497 and we will link that item with supplementary item 654. They both deal with the same problem.

Items 497 and 654 agreed to.

Mr. SPEAKMAN: May I ask the director approximately how many establishments will be covered under item 520, or estimated establishments?

The CHAIRMAN: Item 520 is to provide for purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances stock and equipment; and for protection of security under the Veterans Land Act.

Mr. RUTHERFORD: This is our big vote and with it we do all those things; it covers the cost of setting veterans generally.

Mr. FORGIE: For this year?

Mr. RUTHERFORD: For this year.

Mr. SPEAKMAN: Have you an approximate idea how many will be established this year?

Mr. RUTHERFORD: During the last fiscal year we settled 1,685 small holders. There were 1,342 who obtained title. We gained a little there. We budgeted this year for a 12.5 per cent decrease. Last year we settled only 435 farmers but there were some 2,400 who obtained title. The farmer list is going down and the small holder list is up a bit. With a 12½ per cent estimated decrease this year this is the amount we expect to spend. It does not cover part II

housing; this is not in the estimates, because we have a \$15 million circulating fund where we take out and put money in. We advance money during the building of a house and when Central Mortgage and Housing Corporation take the Mortgage they pay us and it goes back into the fund.

Mr. SPEAKMAN: That is what I was interested in. I believe this part II housing is doing a very fine job in providing homes.

Mr. RUTHERFORD: We are just advancing the money while the houses are under construction.

Mr. SPEAKMAN: It is replaced by the Central Mortgage and Housing Corporation?

Mr. RUTHERFORD: Yes.

Mr. BEECH: Is it the intention of the department to acquire land for this purpose?

Mr. RUTHERFORD: Yes; wherever we can obtain suitable property.

Mr. REGNIER: How many applications for assistance were turned down last year?

Mr. RUTHERFORD: May I reserve that and bring the answer to the next meeting? It will take a little figuring.

Mr. HERRIDGE: What is the procedure of acquiring properties relating largely to small holdings? Who inspects the land, who makes the recommendation and the decision that certain property shall be purchased for development of small holdings?

Mr. RUTHERFORD: The suggestion generally comes from the credit advisor in the locality—the resident credit adviser. He would take it up with region. This is quite an important matter as it involves a considerable expenditure later on. The district superintendent would go out, with his construction supervisor, to visit the property. Before a deal is made the matter is taken up with the municipality in respect to services and that sort of thing. If the property is to cost more than \$15,000 the purchase has to be approved by treasury board; that is if it is for development under part II.

Mr. MONTGOMERY: In some places, during the early days of settlement right after the war, the department made agreements with municipalities in which they would take a flat tax rate. For instance, \$35 for a lot. Has there been any adjustment in those cases? Is that still all the department pays the municipalities or which the veteran has to pay?

Mr. RUTHERFORD: This is a matter between the veteran and the municipality. Quite a number of the municipalities made very generous tax arrangements at that time and most of these arrangements are still in effect; but quite recently some have come up for review between the veterans settled on the subdivision and the municipality. I know of one case where the veterans voluntarily agreed to accept higher taxation because of the services they were receiving.

Mr. MONTGOMERY: I know that some of them have done that because the costs of the schools and other things have risen tremendously in some of these municipalities.

Mr. ORMISTON: If you want to set up a veteran under the Veterans' Land Act, as far as evaluation of land is concerned, do you still go into the question of the value of production over the last seventeen years to ascertain the real value of that land?

Mr. RUTHERFORD: Probably more so than ever before. The basis of appraisal as far as we are concerned is productive value. We will buy at speculative values providing the veteran pays the part over productive value. We loan on the productive value of the property and we go to considerable trouble

to ascertain what the productive value is. Some of our office staff—and all of our credit advisers—have during the past two years, and at their own expense, taken the course and passed examinations to qualify themselves as accredited appraisers. Out of some 300, over 280 have passed their first examination, and some 250 have put in their second with the Appraisers Institute of Canada, and after submitting sample appraisals are entitled to take to the Designation A.A.C.I.

This involved personal expense to these men, about \$65 each, for books and examination fees. It is our aim to have all our men accredited appraisers just as fast as they can go through the courses set by Appraisers Institute of Canada.

I might say we are doing many appraisals for other departments, some involving amounts in the millions. We had one of \$8 million and we were asked to do another one last week involving \$1 million, this for the Revenue department; the 8 million one was for the Indian Affairs Branch. This same thing we are specializing in as we think it is very important, and more so now than ever because of the limitations on our loans.

Mr. ORMISTON: You might be interested to know that a private individual came along and paid \$60 an acre for some land which had previously been appraised by V.L.A. appraisers at \$15 an acre.

Mr. RUTHERFORD: I can believe it.

Mr. ORMISTON: That is quite a discrepancy.

Mr. RUTHERFORD: Well, if we gave it its productive value and the other fellow its speculative value there could be quite a difference. We do not lend government money for speculation in land. We do buy it on occasion at speculative values but in that case we feel the veteran should put up the difference himself.

Mr. REGNIER: Is your decision based on the amount of money available? When you choose the applicants do you choose them on the basis that you have just so much money to spend?

Mr. RUTHERFORD: Today a man has to have some money of his own. We could not set up a man today on an economic unit with the money which we are able to loan under the act. We can give him \$5400 and he must pay \$600 down on his first \$6,000. Then we can loan him an additional \$3,000 provided he puts up \$1,500 of his own.

Mr. REGNIER: If your department had more money to spend I suppose you would be easier on the applicants?

M. RUTHERFORD: It stands to reason.

Mr. ROGERS: To what do you attribute the decline last year in farm settlement?

Mr. RUTHERFORD: I think it is quite evident that there is not enough money available to buy an economic unit and we are not prepared to buy units that are not economic. That would just be like hanging a millstone around the veterans neck. We will set him up as a small holder provided he has other income to live on; but we would not set him up on a farm that was uneconomic.

Mr. HERRIDGE: When you say you run out of money, you mean the amount of money allowed under the act, and not that you run out of money as far as the department is concerned?

Mr. RUTHERFORD: Oh, no.

Mr. FORGIE: You had better get some more money.

Mr. LOCKYER: Are the applications for land settlement being reduced?

Mr. RUTHERFORD: We have 816 farmers qualified and awaiting settlement. We have written all these people and asked them if they are still interested and we have heard that they are. There are also 8,059 small holders qualified and not settled also a number under Part II.

Mr. LOCKYER: Are they waiting for the money?

Mr. RUTHERFORD: They are looking for a property which they can buy with the money which we can lend them in addition to what they have of their own.

Mr. THOMAS: I think it would be a fair statement to say that land values have doubled.

Mr. RUTHERFORD: Farm land has not doubled in value on an acre basis but that does not mean much as the value of enough farm land to constitute an economic unit has more than doubled.

Mr. THOMAS: The price of farms has doubled.

Mr. RUTHERFORD: The price of an acre of land has not changed that much; But the price of a unit on which a man can make a living is much greater today than at the time the war ended.

Mr. HERRIDGE: Because of the need for more acres in certain cases.

Mr. RUTHERFORD: Yes. In practically every case it takes more acres today. The amount of machinery which a man must have to operate 100 acres would also operate 200 acres or more. Prices are not too bad, but costs are much too high on our small farms.

Mr. FORGIE: You are doing appraisals for other departments other than the Veterans' Land Act?

Mr. RUTHERFORD: Yes; for practically all departments.

Mr. HERRIDGE: I am wondering if you have a good number of veterans who are qualified for small holdings but who are unable to obtain land and if in those cases your administration makes every effort to purchase suitable land in order to provide an opportunity for those veterans?

Mr. RUTHERFORD: Yes. We still do it; but we prefer that they go out and find something in the nature of a proper small holding which they can do something with in an agricultural way.

Mr. FORGIE: Is this amount of \$14,827,250 to take care of the land which you have under option now.

Mr. RUTHERFORD: Yes. We always have a certain amount of land under option. A veteran goes out and gets an option to buy. That is included in this if it is under consideration.

Mr. WINKLER: Would it be possible to have one of your officials give us a talk for about ten minutes on some of the main points which we might use in the event that we are called on to speak at a legion or some such place in our district?

Mr. RUTHERFORD: Yes. We have a little red book. I will see that you have it at the next session.

Mr. WINKLER: I have it in front of me.

Mr. RUTHERFORD: This information which I gave you in pamphlet form this morning would probably answer your purpose.

Mr. LALONDE: We have a booklet on the Veterans' Land Act which is not up to date; but in view of what the minister said this morning I think it would be better for us to wait until after the next session to issue a new one.

The CHAIRMAN: There is good speaking material in this brief which was placed in our hands this morning.

Items 519 and 520 agreed to.

The CHAIRMAN: That concludes the Veteran's Land Act and Soldiers Settlement. We are making very good progress.

This might be the point in our deliberations at which to decide whether or not we will sit this afternoon. We face exactly the same situation which we faced last week; the budget debate is continuing in the house. We have the officials of the treatment branch here today along with Doctor Crawford, who is the head of that branch, and they are ready to continue if that is the wish of the committee and we will meet this afternoon at 3:30.

Agreed.

The CHAIRMAN: We will continue now for another fifteen minutes and resume at 3:30 this afternoon.

476. Treatment services—Operation of hospitals and administration	\$48,362,061
477. Medical research and education	\$324,000
478. Hospital construction, improvements, Equipment and acquisition of land	\$4,481,000
485. Treatment and other allowances	\$2,400,000
652. Treatment Services—Operation of Hospitals and Administration—Further amount required	\$1,183,380
653. War Veterans Allowances and other benefits—Treatment and other allowances —further amount required	\$300,000

The CHAIRMAN: Doctor Crawford, would you give us a brief summary of the activities of your branch and then we could proceed with the questions this afternoon.

Doctor J. N. B. CRAWFORD (*Director General Treatment Services, Department of Veterans Affairs*): Thank you, Mr. Chairman, and gentlemen. I think probably I should start my description of the activities of the treatment services by telling you something of its size, complexity, and in many ways its simplicity because its organization is essentially a simple thing.

First of all the treatment services of D.V.A. provide something in the order of 10,000 hospital beds in Canada of one sort or another. It requires something in the order of 10,000 employees to look after these hospital beds which is rather remarkable considering that civilian hospitals feel they can operate on a ratio of about two employees for one bed and we work at very close to a figure of one employee for one bed. It is a matter, I think, of some credit.

The deputy minister has already described to you the organization of the department from coast to coast. The organization of the treatment services follows this exactly. We have, in each of the districts which have been described to you, some arrangement for the treatment of veterans.

I think it would be helpful to you if I start at one coast and run to the other in order that you might know what is available in your own area and who the medical man responsible for this operation is. The deputy has already told you that each district has a district administrator and a senior treatment medical officer, both of whom are responsible to a regional administrator in his particular area. Therefore I will speak only of the senior treatment medical officers and the establishments which they have.

We will start at the east coast in Newfoundland where we use a ward in the general hospital. This is a ward of thirty beds in the St. John's General hospital. This works out very satisfactorily for the numbers of veterans concerned, but we are giving consideration to an alternative arrangement and our recommendations to that effect are now under study by the treasury board. The senior treatment officer at St. John's, Newfoundland, is Doctor Gallagher.

His address is the district D.V.A. office there. In Charlottetown, Prince Edward Island we have a similar arrangement in which we use beds in the Charlottetown General hospital. We have obtained a priority to use a number of beds there. The senior treatment medical officer there is Doctor Tidmarsh. His address is the district D.V.A. office in Charlottetown.

In Halifax we have an independent hospital of our own, Camp Hill hospital. It is an old hospital. We are planning on having some reconstruction done there. However, it is in quite good shape and it is an independent hospital providing general medical and surgical care. The senior treatment medical officer, who is also the superintendent of the hospital, is Doctor Kirk, whose address is Camp Hill hospital.

In Saint John, New Brunswick, we also have an independent general hospital of our own, Lancaster hospital at Lancaster, New Brunswick, which is just outside Saint John. The superintendent there is Doctor McKay who is the senior treatment medical officer and his address is Lancaster hospital.

In Quebec city we have an independent hospital. It is a very modern and comprehensive hospital providing complete general hospital care. The superintendent and senior treatment medical officer is Doctor Beaudin whose address is Ste. Foy hospital, Ste. Foy, Quebec.

In Montreal we have a complex of hospitals. There is a large general treatment hospital which is the Queen Mary Veterans' Hospital. Outside Montreal in Ste. Anne de Bellevue, we have the Ste. Anne's Hospital, which does two kinds of things: it provides general convalescence for chronic cases and has a very large mental wing. One of our largest mental hospitals is in Ste. Anne de Bellevue. The superintendent is Doctor Thibeault. The superintendent and senior treatment medical officer of the Montreal complex is Doctor Mercier, whose address is Queen Mary Veteran Hospital, Montreal.

In Ottawa I am sure you are all familiar with the pavilion which we have in connection with the Ottawa Civic hospital in the city. The senior treatment medical officer there is Doctor Boyd; his address is the Veterans' Pavilion, Ottawa Civic hospital.

Kingston is a sub-district of Ottawa and we again have beds in the two local hospitals in Kingston on a priority basis. The senior treatment medical officer—I suppose the assistant senior treatment medical officer of the sub-district—is Doctor Gibson.

In Toronto we have one of our prize showplaces, Sunnybrook hospital, a tremendous institution providing general medical and surgical care. The senior treatment medical officer and superintendent is Doctor McLeod and his address is Sunnybrook hospital.

In London we have Westminster hospital which again provides general medical and surgical care. We also have here a large mental wing and Westminster hospital along with Ste. Anne's provides really the total of our psychotic or mental disease care. The superintendent and senior treatment medical officer at Westminster hospital is Doctor Fergusson.

In North Bay our arrangement is considerably less than elsewhere in the country. We have no hospital of our own in North Bay, nor do we have any contract beds as such in North Bay. We do have a district office and do have a senior treatment medical officer, Doctor Girard, whose address is the district D.V.A. office in North Bay. We provide care there under a somewhat different arrangement, the doctor of choice plan, which I will describe to you later.

In Hamilton we have no hospital of our own and do not use contract beds as such. Our situation in Hamilton is covered largely from Sunnybrook hospital. We do have a district office with a senior treatment medical officer, Doctor Roderick.

In Winnipeg we have again a large independent hospital, Deer Lodge hospital, at St. James, Manitoba. The superintendent and senior treatment medical officer is Doctor Sutton.

In Saskatoon we use beds on a contract basis in the University hospital. The senior treatment medical officer is Doctor Scott, and his address is the district office.

In Regina we use contract beds in the Regina General hospital. The senior treatment medical officer is Doctor McGillivray and his address is the district office.

At Calgary we have an independent hospital, Colonel Belcher hospital. We have just completed a reconstruction program there and have a very fine modern institution now. The superintendent and senior medical officer of the Calgary district is Doctor Thompson.

In Edmonton we use contract beds in the University hospital which is very satisfactory. The senior treatment medical officer there is Doctor Ramsay. We also have a pavilion at Edmonton like the one at the Ottawa Civic hospital.

In Vancouver we have Shaughnessy Hospital, a large and very efficient institution, providing general medical and surgical care, the superintendent there being Doctor Bain.

In Victoria we have a beautiful hospital, the Victoria Veterans' hospital. It is completely independent and the superintendent is Doctor Watson.

This description covers the facilities from Newfoundland to Vancouver island. In connection with many of these places we have buildings most of which unfortunately have not been designed for our use but are nevertheless used for the type of cases where a man is so feeble that he cannot get along on his own and there may be other factors, social or economic, which add something to his state; but these cases do not need active hospital accommodation. For example, in Lancaster, New Brunswick, we have Ridgewood and here in Ottawa we have the Rideau Health and Occupational Centre; in Edmonton we have the Edmonton Veterans' Home which was the old provincial government house; in Vancouver we have the George Derdy Health and Occupational Centre and Senneville outside Ste. Anne's there is also the Western Countries Lodge in London.

This gives you some idea of the size and the extent of the treatment services. What do we do and how do we do it? I think first of all I can say with honesty, because it is a matter of great pride to me to have been asked to be associated with a system such as this, that we provide a quality of treatment which is second to none in the treatment of veterans not only in the North American continent but in the world—

Some hon. MEMBERS: Hear, hear.

The CHAIRMAN: Doctor Crawford, I hear 12:30 striking. That might be a good note on which to break at this moment. You received applause for that last statement.

Mr. LOCKYER: Mr. Chairman, I would like to say this: I have had occasion to visit Sunnybrook Hospital many times. It is one of the finest institutions of mercy in the world. As the personnel manager you should be, as am I, very, very proud.

Mr. CRAWFORD: I am extremely proud and even more proud because I can repeat this half a dozen times across Canada.

The CHAIRMAN: We will resume at 3:30.

AFTERNOON SESSION

JULY 3, 1953.

3:30 p.m.

The CHAIRMAN: We have a quorum gentlemen.

Dr. Crawford will continue where he left off this morning. If you please Dr. Crawford.

Mr. CRAWFORD: Gentlemen, when we arose this morning I had commented on the very high quality of treatment which I believe we provide in the D.V.A. hospitals. Many of you signified that at least to this extent you agreed with me.

I would like to tell you now something about how we maintain this high standard because it should be obvious to all of us that you cannot have this sort of standard of treatment without it costing money and thus this reflects directly on our estimates.

I need not say anything about the very loyal and very efficient staff that man our hospitals, nurses, nursing orderlies, nursing assistants, cooks, cleaners and helpers and that sort of person. Without them the treatment at the hospital as a whole would be impossible. But I do believe that in the main the high standards of treatment which we have been able to maintain in the past are due to the medical men whom we have on our staffs.

There are three kinds of doctors who work for us—at least they are employed in three different kinds of ways.

Our administration people are in the main full time civil servants. Some very highly qualified and extremely good clinicians are also in civil service positions and are working for us on a full time basis. Then we employ a number of interns and residents in our educational program. We must have these in any hospital to make the thing run. They are on a year at a time, on a special sort of salary scale. But the largest proportion of our doctors are employed in rather a different and unique way. It was set up by my predecessor in a way which has resulted in the D.V.A. method becoming the envy of almost all other government departments.

For example, out of 1,140 doctors whom we employ at the present time, 744 of these are employed on a part time basis but not as part time civil servants. These men work for us on what we call loosely the half day fee basis. In that way we ask many practitioners to devote to us some of their time and we pay them a fee for this. Thus a man may work for one or two half days a week. He may work for 20 half days a month. He gets paid for the time he gives us. This works out very well. We get much more time from all these men than we pay for. They are there mornings, afternoons, nights weekends, holidays, whatever is required for the treatment of the case. These men provide the service that we require.

What kind of men are they? They are appointed in the main through university staffs and this is another thing which Dr. Warner achieved much to our benefit—an extremely close liaison or tie-in with university teaching staffs.

I do not need to tell you that there are only two ways of really keeping a hospital top flight. One of them is to teach and the other is to do research. We do both these in our hospitals. Our university tie-in, at every centre where there is a university and a D.V.A. hospital, is most intimate; and the selection of people who work for us on this half-day fee basis is made either by or with the concurrence of the dean of medicine in that community.

We are therefore recognized by the university as teaching hospitals for post-graduate education. We get interns and residents who are striving to obtain the highest qualifications in medicine and surgery or psychiatry or whatever you will and we benefit as a result of this liaison.

As an example of the sort of staff physician we have, I would like to quote one case. I just wrote him a letter of congratulation today because he has recently been appointed as associate professor of medicine at McGill and I noted today that he had been appointed as physician in chief of the Montreal General Hospital. This man has been for a long time, and I trust will for many years to come, continue to be our chief of medical services in the Queen Mary Hospital.

This is merely one of many such cases that I could quote. We get the very highest quality of men—medical men—in Canada who are anxious to work for D.V.A. We do not pay them very much. We pay them very little, considering what we get out of them, but because of the prestige and the quality and standard of treatment that go with a D.V.A. appointment we have been able to retain them. We teach, and this attracts the best of the medical profession. We do clinical research. Anyone who is involved in clinical research never has enough money. This is a constant complaint but considering the amount of money we get, we are making a notable contribution to medical research in Canada. Our research is slanted perhaps to those diseases which are now occurring most commonly amongst veterans. Diseases of the heart and arteries, the circulatory system generally and a number of nervous diseases such as Parkinson's disease.

In these fields where we have the advantage of a long history, a long detailed medical knowledge of the patient and a close and complete follow-up of his future, we can do a type of research which is unique and which is, as I say, making a noteworthy and extremely valuable contribution to medical knowledge.

There is no question then that the sort of treatment we are providing in our hospitals is of the highest order but we provide another kind of treatment under what we call the doctor of choice plan.

In some instances it is inconvenient, uneconomical and disruptive to the patient to move him from his home into one of our hospitals to benefit from whatever benefits there are in our hospitals and in such cases we have authority to employ his family doctor, to pay him on a schedule of fee basis for the services which he provides to our patient.

Now I should like to be able to say that this method of treatment was completely satisfactory. It is not, unfortunately. In the first place it is quite uncontrollable. The man is in his own home town. We really do not know anything about him medically except through the reports which we see and although I am quite prepared to admit that there are many thousands of first class doctors in Canada who are not employed by D.V.A. in our hospitals, there are some who tend to pad their accounts a bit, who perhaps make unnecessary calls and give unnecessary medications and we quarrel with them and you will hear about them. You will get complaints that "that monster, D.V.A., is denying us our rights and interfering with the practice of medicine."

Mr. HERRIDGE: I have heard worse than that.

Mr. CRAWFORD: Yes we get a very bad reputation but I assure you, gentlemen, that what we do, we do in what we believe to be the best interests of the patient every time. If all men were completely honest and all men equally skilled I think perhaps an ideal way to handle the treatment of veterans would be to move them to their own towns and let their own doctors treat them. But

all men are not like this and as long as we have to put up with this human frailty I do believe that we are better off in providing treatment as we do by discouraging the doctor-of-choice plan as much as we can and bringing people into our own hospitals.

So much for the staff, so much for the hospitals and so much for the ways we treat people. What about the kinds of people who get into our hospitals? Well, the treatment branch of the Department of Veterans Affairs was set up in the first instance to provide treatment for a pensionable disability, a war connected disability. Immediately after the war this represented almost all of our activity; our hospitals were full of such cases. Gradually they have reduced in numbers, either because their condition has become stabilized, or that some of them have died; many of them I am grateful to say have recovered to the extent that they no longer need very much in the way of treatment, and this is good.

Then we began to take on another group, those in receipt of the war veterans allowance. You will realize, by the way our staff is made up, that we are very dependent on the good will of the medical profession and our relationships with the medical profession and the university seem to be, in my opinion, extremely good. That is why we wish to interfere as little as possible with the private practice of medicine until such time as you, in your wisdom, decide there may be another system of the practice of medicine. That day has not yet come, and until it does we must live side by side in close harmony with our private practising colleagues. We took on the war veterans allowance recipient because nobody else wanted them at that time. There was no system of social security anxious to take on the veteran who had become old and ill and there was no person anxious to pay his doctor fees and hospitalization nor cared very much whether or not we looked after him. So we began looking after the recipient of the war veterans allowance and we treated him for any condition whatsoever.

The pensioned veteran, for his pensionable disability, of course is entitled to treatment for that disability and while he is receiving it he gets various allowances and benefits. The war veterans allowance recipient comes in almost as an indigent, a medical indigent, and we treat him. If we leave him in his home town he has the doctor of his choice and we pay his doctor. The war veterans allowance recipient is in receipt not only of his war veterans allowance but also is in receipt of medical attention as long as he stays in Canada.

Before I describe the other benefits I will speak of something else first because I can see a gleam in the eyes of some of the persons sitting around this table. We treat, by direction, other wards of the federal government. This direction has been with us for a long time. For example, since 1928 we have been authorized and directed to treat members of the armed forces and the Royal Canadian Mounted Police. In 1936 we were directed to take on the treatment of wards of other government departments at the expense of that other government department. Some of this is pretty straightforward and some of it very interesting work. Also, some of it causes us embarrassment. For example, I am somewhat embarrassed sometimes when the Department of Justice asks me to take in a convict from one of the prisons and provide him with treatment for some acute condition; this is embarrassing.

We have had a number of comments from various sources about the treatment of Hungarian refugees. I, of course, am in no position to comment on the rights or wrongs of treatment services for Hungarian refugees. The only fact which governs me is that these are the wards of one federal department; which department requires me to provide treatment for some of them and I do it and they pay for it.

One way of measuring hospital activity is to use a unit which we call a patient day. If one patient is in for ten days that is ten patient days, and if ten patients are in for ten days that is one hundred patient days. You can get an idea how busy a hospital is by using this unit. Using this measure of activity and counting up the number of patient days we provided last year at the expense of federal departments, other than the Department of National Defence, we provided 0.9 per cent, less than one per cent, of our activity in the system as a whole in our own hospitals to hospitalization of these federal wards. For that we recovered from these other federal departments something in excess of half a million dollars. This does not mean very much to us; we do not get it to spend. It is just a matter of taking it out of one federal pocket and putting it into another. But if we did not provide this treatment, then the federal government would have had to spend more than half a million dollars, because our rates are lower than the rates of other people by and large, in order to provide this treatment elsewhere. I have no other comments to make on that. I leave the thought with you.

Then we come to the other groups of veterans who may come into our hospital on a beds available basis. The first of these is the veteran with a limited income. He is not poor enough to be a W.V.A. recipient but he does not have very much money. If he can pay a little he is required to pay it when his income resources have been assessed. He is required to pay a little in that one year, but he will never be required to pay us any more in that year. If he cannot pay anything he does not. If he has quite a lot of money he may be required to pay us almost our full rate. Then any men who served in any forces in any theatre, or in Canada, are privileged to come into one of our hospitals if we have the space and if he can undertake to pay us our costs for treatment. This is hospitalization only and does not cover his medical and surgical expenses, because again in doing this we are interfering with the private practice of medicine and it is important, I believe, that we do this to the absolute minimum extent.

You will doubtless want to know something about the provincial-federal hospital insurance schemes and how they will affect us. This, of course, is the group which will be mainly affected; this group who heretofore have been required to pay their hospital costs. They now, as insured persons, will be able to get into our hospitals at the expense of the plan.

Gentlemen, I think I introduced treatment services in a rather lengthy fashion. I will try to answer any questions you have. I believe I know all the facets of my branch fairly completely in principle and many facets in detail, but I do not have a battery of experts to support me and in some instances I may have to get the answers for you.

Mr. SPEAKMAN: There is one thing which concerns me a little. Does the treatment of patients from other departments prejudice the admission of veterans?

Mr. CRAWFORD: It never prejudices the admission of a pensioned veteran for his pensionable disability; he has a first priority all the time. It never prejudices the admission of a war veterans allowance patient in need of admission. It never prejudices the admission of a section 13 patient, this being the patent of limited income, who needs admission. But it might well prejudice the admission of a veteran who had sufficient income to go to some other hospital.

Mr. SPEAKMAN: I am thinking of this in terms of accommodation?

Mr. CRAWFORD: Well, perhaps you would be interested to know how we are running. We think it is a good hospital practice to assume a hospital is full when 80 per cent occupied. This 20 per cent differential must exist in most hospitals to allow for differentiation of cases by sex, age and kind of disease.

We feel that because our population is all male, or essentially all male, and because it is pretty much of an age, that we can go a little higher than that. Our hospitals are operating at between 86 to 90 per cent of capacity. This gives a little leeway, but not much. By any good standard applied to civilian hospitals, we would be in a dangerous position.

Mr. CLANCY: Is there any policy followed by the veterans affairs in providing medicine, prescriptions and so on, from a central depot to veterans who are under medical care, and living in their home towns?

Mr. CRAWFORD: Yes, there is. We do this, We supply drugs to veterans who are being treated on the doctor-of-choice plan, whenever possible, from a central depot. In doing so we save money. However, there are two exceptions. We will not supply any drug that is a narcotic. We will not ship any narcotics through the mail. We have made it amply clear to all practising doctors involved in this sort of operation that any veteran at any time in case of emergency, where a drug is urgently required, can obtain it locally and we will pay the bill. What we do ask is that repeat prescriptions, whenever possible, be filled from one of our central supply depots.

Mr. LOCKYER: Mr. Chairman, I would like to ask Dr. Crawford something about this new set-up of hospitalization insurance with the provinces. Does that mean the provinces will be sharing the cost of some of these?

Mr. CRAWFORD: That is true, but not, of course, for the pensioned veteran with his pension disability. That cost we continue to cover ourselves, as in the case of wards of other federal departments, armed forces and so on, which are still at the expense of the appropriate federal department entirely. But when we provide insured services to war veterans allowance recipients, we will charge the province. We will pay their premiums in premium provinces and we will charge the province for the appropriate number of days during which we were giving them the insured service; but this will not in any way prejudice the position of the veteran. He is completely untouched by all this. This is really merely a bookkeeping matter. We have worked out a device whereby if a man comes into our hospital with an insured illness and he gets insured treatment, we will charge the plan. At the end of a certain number of days we will say "as far as his acute illness is concerned he is ready to go home"; but there may be reasons why he cannot go home. There may be welfare reasons; pensions may want to look at him. Therefore, we transfer him into another class so he continues as he has in the past to follow a smooth uninterrupted course from entry to exit. For these extra days, we will pay the bill. The province will not be charged.

Mr. LOCKYER: I was just wondering—it is outside the question of veterans affairs to some extent—if the province is aware they are going to be saddled with this cost.

Mr. CRAWFORD: We have discussed this *in extenso* with every province which has signed an agreement. We have had the most amicable and fruitful discussions with the provinces. They all have not accepted this with equal willingness, but we have been able to come to a compromise arrangement.

Mr. ORMISTON: Is a veteran who has served in any theatre of war, but not in receipt of a pension although considered eligible for a pension, who becomes seriously ill from any cause whatsoever, eligible for commitment and treatment?

Mr. CRAWFORD: Under section 23, yes. That is the paying section. We might not be able to take him if we did not have room, but by and large we can.

Mr. CARTER: I have two or three questions. First, what is the procedure by which a man acquires treatment, apart from those who are brought in from medical boards? Can a man get treatment in a Department of Veterans Affairs hospital without being sent by some authority?

Mr. CRAWFORD: Oh yes he can, Mr. Carter. We would prefer he be referred to us by his own doctor and this is the usual way this is done. However, people do turn up in our out patient departments and we take a look at them and say "Oh, you are not sick enough for admission; therefore, you should be treated by your own doctor", assuming that he has no entitlement, but if the man needs admission to the hospital, if he is sick enough to be admitted, then he can go in through our own out patient department without referral.

Mr. CARTER: On his own initiative?

Mr. CRAWFORD: Yes.

Mr. CARTER: What is the position of a veteran who is referred to you for treatment for some service disability but when you get him in you find that he is suffering from some other condition which requires treatment? Do you treat for both of these conditions or just for the one connected with his service?

Mr. CRAWFORD: It has been our policy to carry out what we call concomitant treatment. If he comes in with a disability of the knee which is service connected and we find he has a gastric ulcer and is in need of surgery we are likely to operate. The only proviso about this is that this must not prolong the treatment beyond what he would be entitled to for his knee.

Mr. HERRIDGE: Dr. Crawford, I think you possibly realize I have a word or two to say about these guests from other departments. I do not blame the Department of Veterans Affairs for a moment, but there are two classes, I understand, that can be denied admission. One is a destitute veteran who does not qualify because he is not qualified for war veterans allowance—he has not 365 days service in England and has served only in Canada.

Mr. CRAWFORD: Well, I think the problem sir is one of interpretation of destitution. If the man qualifies as destitute under our treasury board scale in section 13, we take him in.

Mr. HERRIDGE: There is a class of veteran that can be destitute but has not qualifying service. He has donned a uniform and served his country but he is denied admission. My point has been that while we have to look after sick people, if we can provide accommodation in veterans hospitals for these guests of other departments at least we should be able to provide accommodation, medicine and hospital treatment for these veterans at present disqualified under the law and regulations.

Mr. CRAWFORD: This, of course, is a matter in which you will have to give me direction. And I can say that we will do what we are told. There is one thing you should bear in mind which perhaps will relieve this difficulty in the future, in that in every province of Canada eventually, I hope, and soon in most of them,—in six of them right now—every resident of the province has his way paid in hospital; so to all intents and purposes these fellows are paying patients. They come in under the plan.

Mr. HERRIDGE: Not for medical treatment.

Mr. CRAWFORD: No, but what have they got to pay? There are lots of people who come in. Doctors are treating indigent patients every day. A patient is never turned away from a doctor's door because he cannot pay the bill.

Mr. HERRIDGE: I realize that. It is the principle to which I object. I am not blaming the department. I had a similar case in my own constituency of a man who suffered quite severely. He has been to Shaughnessy on one or two occasions. He was denied admission this year because apparently they were filled up on account of some of these guests.

Now he can well afford to go to some other hospital but he has never had the same satisfaction at any other hospital that he had at Shaughnessy.

This is a group which I think should not be denied admission to veterans hospitals because they are filled up or occupied by "guests" of other departments. That is just my theory.

Mr. CRAWFORD: Perhaps some time I can express to you the hopes I have for making some more room in our hospitals. I have some ideas up my sleeve but they will cost you money.

Mr. HERRIDGE: Now, doctor, were there any women or children of these "guests" of other departments treated in your department?

Mr. CRAWFORD: We have had some women in, yes. At Ste. Annes and at Queen Mary we had a few women in who were psychotics; and we had some at Shaughnessy too.

Mr. HERRIDGE: Yes. I have had letters from ladies in British Columbia about it.

Mr. CRAWFORD: I have a list. We have had perhaps half a dozen individuals who were in for recurring treatment.

Mr. HERRIDGE: Wives or widows of veterans would not be admitted under any circumstances?

Mr. CRAWFORD: That is right; we do not provide care for them.

Mr. BEECH: I wonder if the witness could tell us if there is any difference in the rate which he collects from the provincial government of Ontario as compared to the rate charged to patients who come under section 23?

Mr. CRAWFORD: This is a little involved. In the past we have charged section 23 patients with an average rate. We have taken the cost of operation of all our hospitals across the country and we have averaged it out and said "Here is the rate which comes out to around \$14—in fact, \$13.25, and this is what we shall recover for the treatment we provide under section 23."

In each of the provinces of course, they are not interested in any average rate. What they want to know is what they are paying for the institution in their particular province. So then, vis a vis the provinces, we have sat down with them and worked out the cost of operation of each individual hospital, and this is the cost we have agreed on, or the price we have agreed on for the provision of our insured services.

Mr. BEECH: I wonder if the federal government would not have to subsidize it.

Mr. CRAWFORD: Well, the government is subsidizing the whole hospitalization plan down to about 50 per cent, is it not?

Mr. BEECH: The \$14 which you mentioned would not normally cover all the expenses of this one patient. Now if the rate is going to be lower—and I assume it is—

Mr. CRAWFORD: As far as the veteran is concerned we are still going to use this average rate.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): No, no. Mr. Chairman, the arrangement with Ontario is that they will pay a rate in respect to our hospitals which is computed on the same basis that any civilian hospital establishes its costs.

We have already had the auditor from the hospital commission down and we have gone over our figures. As a matter of fact we found that we had to put in quite a few items that we did not normally put in because they are admissible in civilian accounting.

The result is that our rate will be quite adequate and will, I think, be almost equal to our cost of operation in Ontario.

The matter of the rate of recovery from veterans who, for some reason or other, are not covered by the plan, and who when they come into our hospitals may have to pay, is still under consideration, because, as has been said, we have in the past averaged our active treatment rate right across Canada.

We are being forced into institutional rates under the different federal and provincial schemes. Therefore our arrangement with each province is slightly different. It varies a bit here and there but generally speaking its cost is based on the same basis as civilian hospital cost accounting practice.

But it is causing us to take a completely new look at how we shall charge individual veterans.

Mr. BEECH: I could see it coming up.

Mr. MACE: The other angle is that the conditions vary in each province. Whereas before there used to be a general rate right across the country.

Mr. BEECH: There will be a difference, we hope, for the different veterans, which is not covered under the plan as against the rate you expect from the province?

Mr. MACE: The veteran covered by the plan is not interested in the rate at all. He simply comes in and shows his card and that is it.

But if he comes under section 23 and has no plan of coverage and does not qualify under section 13, then he will pay the rate we have established.

Mr. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): He will not pay more than the cost to the federal government for his hospitalization.

Mr. BEECH: There will be a difference in the rate we collect from the province, will there not?

Mr. LALONDE: That is not impossible because the cost varies with each province.

Mr. FANE: I would like to ask about what, if any, degree of pensionable disability is required to make a veteran eligible for free treatment in a veterans hospital.

Mr. CRAWFORD: You mean free treatment for his pensionable disability.

Mr. FANE: For what degree?

Mr. CRAWFORD: As far as his pensionable disability is concerned he may have no cash pension at all. He may only have been awarded entitlement to treatment by the Canadian Pension Commission, and that is the authority for us to treat him.

Mr. FANE: That is, for an actual wound?

Mr. CRAWFORD: For an actual wound, and it ends there.

Mr. FANE: Suppose a veteran has 75 or 80 per cent disability. Is he eligible for treatment for everything, or only for his pensionable disability?

Mr. CRAWFORD: Well, there are two things. First of all, if a pensioner with a 100 per cent disability, let us say, such as an amputation case, catches pneumonia which is not attributable to his amputation, he has no entitlement at all for the treatment of his pneumonia. But it might happen, because his total pension is exempt from calculation of income for the purposes of getting him under section 13, that he is well qualified on that basis. But there is no level of pension that affects the treatment of non-pensionable disabilities as such.

Mr. FANE: Yes, I have had that put up to me a lot of times.

Mr. CRAWFORD: There has been a great deal of comment about free treatment for everything to pensioners who were in receipt of 50 per cent or better. There are pros and cons to this as there are to every argument.

Mr. CARTER: These pensioners are not so well off as people getting the war veterans allowance as far as I am concerned.

Mr. CRAWFORD: You said that, Mr. Carter. I did not say it.

Mr. MacEWAN: I would like to bring this case to Dr. Crawford's attention. The details have been given to me and I understand they are correct to the best of my knowledge. A veteran was allowed to enter Camp Hill Hospital by his own doctor, a doctor of his choice. He had no pensionable disability.

He was operated upon in Camp Hill Hospital for glandular trouble. Following that he went home. But he still had to go to his doctor because he required some pills as treatment for his post-operative condition, and these were provided for. Is that the normal practice?

Mr. CRAWFORD: He was a paying patient under section 23?

Mr. MacEWAN: No. He was not paying anything.

Mr. CRAWFORD: Here again is a bit of the rather abstruse philosophy which lies behind the matter.

If a man pays nothing under section 13 we say he is a medical indigent and we look after him and supply drugs because he does not have the money to pay for them himself. We will provide, according to the regulations up to three months out patient treatment during which we will supply him with the necessary drugs, dressings and so on.

In practice I have found—I do not question this—that this period of out patient treatment goes on considerably longer than three months. I do not worry about it. If a man pays something toward his hospital bill, then we in our righteousness say that this man should really be a private patient of someone else's and we send him back to his own doctor and tell him to look after the patient from here on in. We do not supply drugs to this type of person.

Mr. MacEWAN: This man is destitute, he has a large family and he is awaiting a board ruling in regard to a pension.

Mr. CRAWFORD: Of course, if he is successful in this way we will then pick up all his medical expenses for three years back.

Mr. REGNIER: What is the amount of the fee paid to a doctor employed on the fee basis?

Mr. CRAWFORD: You are asking what we pay?

Mr. REGNIER: Yes.

Mr. CRAWFORD: Until last year and for some lengthy period before that the rate was \$15 per half day for a general practitioner's services and \$30 per half day for a specialist's services. These rates had not been changed for a long time. A full time doctor's salary was increased, the Civil Servant received an increase in salary and finally I complained so much that the treasury board raised the fee last year, or early this year. It was raised to \$36 per half day for a specialist's services and to \$18 per half day for a general practitioner's services.

Mr. REGNIER: Thank you.

Mr. HERRIDGE: I want to take advantage of the doctor's presence.

I know of a chap who has a war veterans allowance, who lives in a small isolated community. He has a very bad heart condition, I presume, because he is unable to do anything at all. He cannot gather his own wood. He was provided with a prescription by the Shaughnessy hospital. A very well known heart specialist came to his small community to do some fishing. He saw this chap and prescribed some other drug which the man bought at a local drug store. This individual imagined that he felt much better after taking the new drug. This drug did not appear on your list of drugs, and I believe

cost this man about \$7 or \$8 per month. He has very little. In fact, he has nothing more than his war veterans allowance and his own home. I was wondering if it would be possible under circumstances such as those for the Department of Veterans Affairs to contribute the allowable amount toward the cost of the drug in question, which I understand costs about twice as much as the prescription which was provided initially.

Mr. CRAWFORD: I suppose it would be possible to do this, sir. We have not done it. Our list of drugs, which we put out annually and amend quarterly, or thereabouts, is recommended to us by a Pharmaceutical Committee which is composed of the professors in medicine of most of the Canadian universities. They sit down and tell us what they feel is an adequate list of drugs to cover all the conditions we are likely to meet.

Unfortunately, in the drug business as in many other business one frequently has to pay an awful lot for a name when the actual active ingredients could be supplied in a much cheaper form quite satisfactorily.

Mr. HERRIDGE: I am under the impression that the effect is psychological.

Mr. CRAWFORD: A large portion of it probably is.

Mr. HERRIDGE: In fact I am almost certain that it is psychological.

Mr. CRAWFORD: All I can say is that it is unfortunate that the eminent heart specialist interfered. We were probably doing all right the way we were before.

Mr. CARTER: Should it make any difference if the effect was psychological as far as the veteran is concerned? Does it matter whether the effect is psychological or not?

Mr. HERRIDGE: This particular veteran claims to feel very much better.

Mr. CRAWFORD: This question takes us into an extremely difficult realm of treatment, psychological likes and dislikes.

If the Department of Veterans Affairs had an unlimited amount of money and really did not give a damn about how much it spent or how the treatment was carried out it might be all right to say, "give him whatever he thinks does him the most good".

Of course, we cannot do this as we work on a budget.

Mr. CARTER: My point was, how do you distinguish between what is psychological and what is not? The result of the other drug might be psychological too.

Mr. CRAWFORD: I assure you, sir, this can be done. It is measurable in the majority of cases.

Mr. CARTER: I think in the case of drugs, there is a lot of psychological effect as I believe there is in respect of other types of treatment. I do not see why one example should be picked out and labelled psychological any more than any other.

Mr. CRAWFORD: If we are going to treat a man psychologically, or if we are going to treat a psychological illness we perhaps should treat him in an entirely different way. We should perhaps look back into his childhood somewhere.

Mr. LALONDE: I think, Mr. Carter, that possibly Dr. Crawford is at a disadvantage in discussing this sort of thing. Maybe Dr. Crawford does not want to say this but I have seen a number of reports in this respect from our specialists who I believe are amongst the best doctors in Canada. They have looked after patients in hospitals for lengthy periods of time. These doctors have told these patients that certain drugs were not good for them. The patients then went to doctors outside of our hospitals and those doctors told those same patients that that drug was the drug which should be used.

There you have contradictory opinions of two doctors. As far as the Department of Veterans Affairs is concerned we must stand by the opinion of our own specialist and must rule against a veteran in that case. The veteran normally does not like our ruling because he feels that his own doctor is a good doctor and that what that doctor prescribes for him does him a world of good. This must be a psychological effect. Our own doctors, who have had the patients under their care for lengthy periods, tell us that these drugs should not be used and we must take their opinion.

Mr. ROGERS: I would just like to say, Dr. Crawford, that I think there was a lot of confusion about the free treatment for veterans during our rehabilitation program when the regulations stated, "—free treatment for veterans—", when in fact it meant only treatment for war disabilities.

Mr. CRAWFORD: These veterans did receive free treatment for a year, sir, after they came home, although there always was this time limitation attached to it. You are speaking of this treatment during the period of rehabilitation?

Mr. ROGERS: I think there is a lot of confusion in veterans' minds in regard to this free treatment.

Mr. MONTGOMERY: I am afraid I do not understand clearly the situation in regard to provincial schemes. Under a provincial scheme a veterans hospital bills the province for hospitalization, x-rays and things of that nature for such a period as the doctors at the veterans hospital feel necessary.

Could you tell me who pays the doctors bills?

Mr. CRAWFORD: Again, sir, I think we will have the same classification of people as before. We know that we will encounter war veterans allowance recipients who cannot pay doctors bills. They will receive medical treatment and hospitalization free as in the past. In practice, our doctors do not send a bill to a man with a limited income because they know that he has no money and is not in a position to pay it in any event. That sort of practice will continue, certainly.

However, a man who is fortunate enough to qualify under section 23 must pay his own medical bills. The difference now is that the plan pays us for hospitalization instead of the patient paying us. His medical bills will still be his own responsibility.

Mr. THOMAS: I would like to ask Dr. Crawford if the Department of Veterans Affairs treat the so-called cases from other departments free, or do these other departments pay for their care in veterans hospitals? I refer to such persons as Royal Canadian Mounted Police personnel and Hungarian refugees.

Mr. CRAWFORD: Everyone of them is paid for at our cost by the department concerned. They reimburse us for the services we render.

Mr. HERRIDGE: You can take the United States service men who get paid in the same way.

Mr. CRAWFORD: Yes, because it is the Department of National Defence of Canada that asks us to do it. They assume the cost of this service.

Mr. HERRIDGE: I wonder, Doctor, what control you would have over a patient in a small country hospital? For instance, I once had this experience: A mother came to see me just after the second world war and told me about her son being in hospital. She heard that they could not do anything for him. He had cancer of the lung or something like that. Anyway I went to see the doctor and I suggested that they should send the man to the DVA hospital. They sent the man to Shaughnessy and he had one lung amputated. He is now working as a mner, and has been healthy ever since. What does your department do to keep in touch with local patients in hospitals?

Mr. CRAWFORD: As I have already said, we try to discourage this doctor of choice plan. For this and other reasons we feel we can provide better treatment, without being too immodest about it, in our hospitals than is provided in small outlying hospitals. So we like these patients to come to us. When a man goes into a small country hospital—or a small town hospital—and he says: "I am a war veterans allowance recipient from the Department of Veterans Affairs who is paying my way"—it is incumbent upon the administration of the hospital to advise us that the man has been admitted and give us a diagnosis. We get a preliminary report about the man from his doctor at the time. At the time the representative of the S.T.M.O. takes a look at this and says: "Well this looks like a pretty simple business according to the report we have. He will be better before too long. It is a long way to bring him and he is with his family there. Let us leave him there and see how he gets along." Contrarywise, he will say: "This looks pretty complicated, we will get this fellow into hospital." We send for him and bring him in and pay his way. If the man is left where he is we get a progress report from the hospital at regular intervals as to what is being done. So we do try, within the limitations imposed by any study of paper, to make a diagnosis and to keep a check on the treatment and progress of the individual.

Mr. HERRIDGE: How long after a patient is admitted do you wish the doctor who is treating the patient to make a report?

Mr. CRAWFORD: We like a report at the time he is admitted—a preliminary report to say that he is in hospital, and we get a progress report about once a month.

Mr. LALONDE: And we are accused of spinning too much red tape because we ask for these medical reports.

Mr. CRAWFORD: We are quite helpless in the case of a wrong diagnosis—where someone is diagnosed as having pneumonia when he has cancer of the lung, or something like that.

Mr. HERRIDGE: This man was only expected to live a few days until he arrived at Shaughnessy hospital. Today he is mining.

Mr. CARTER: I was going to suggest that we would be more in favour if Dr. Crawford could sit down and relax.

The CHAIRMAN: You are quite at liberty to do so, Dr. Crawford. We have plenty of altitude. We can even see you in a sitting position.

Now, have we finished with item 476? Also related to that is item 652 in the supplementary estimates. Can we pass it also?

Items 476 and 652 agreed to.

Item 477 agreed to.

478. Hospital Construction, Improvements, Equipment and Acquisition of Land \$4,481,000

Mr. CARTER: Will the minister answer questions on policy in regard to this. Is that first item still open?

The CHAIRMAN: Yes the first item is still open.

Item 478 agreed to.

479. Prosthetic Services—Supply, Manufacture and Administration \$1,206,934

Mr. ORMISTON: I should like to ask a couple of questions of Dr. Crawford. I understand further in the prosthetic shops the Goodyear stitchers are used almost exclusively. Am I right?

Mr. CRAWFORD: I can not tell you that detail, I could find it for you.

An Hon. MEMBER: You sell them.

Mr. ORMISTON: I do not sell them. I want to know are those procured on a tender basis or does the government deal with the Goodyear exclusively, because all the shops I have been in the Goodyear machine is standard; and I was only asking out of curiosity if a tender was asked in the supplying of those machines.

Mr. CRAWFORD: As far as I know it is, but I am not sure.

Mr. ORMISTON: I want to know if they are bought outright or leased at \$750 a month from the Goodyear Stitcher Company?

Mr. CRAWFORD: We own all our machines. I think Mr. Mace can tell you how they were bought.

Mr. MACE: I think sometime ago we did rent them from the Goodyear people but I think this was before my time—between 1944 and 1945 there was a change. I think we purchased all of them. We own them.

Mr. LALONDE: We could check on this and answer it at the next meeting. I would rather be sure.

Mr. ORMISTON: There are other machines that can be brought from the United States, Great Britain and Germany which are supposed to be of equal quality and costing less money. With the present rate of exchange it might be easier to procure machines in Great Britain.

Mr. LALONDE: I expect these machines have been there for some time.

Mr. ORMISTON: For a considerable time, yes.

Mr. MACE: I know we are planning to buy one in Regina.

Mr. THOMAS: We slipped through item 478 quite rapidly. I wonder if I could ask a question. Does the Department of Veterans Affairs build their own hospitals or is that construction turned over to the Department of Public Works?

Mr. CRAWFORD: The Department of Public Works build our hospitals.

Mr. THOMAS: In your preliminary address, Dr. Crawford, did you cover the proposed construction of works in a general way—major works that are now in progress.

Mr. CRAWFORD: No sir.

Mr. THOMAS: I wonder if it would be wise to have a brief summary of that. This is a very large item.

Mr. LALONDE: By virtue of a decision of the treasury board the policy has been laid down that our department would at no time have more than two major construction projects going. We have followed that policy for a number of years. Last year for instance we had a major construction project at Deer Lodge at Winnipeg and a major project at Colonel Belcher in Calgary. Colonel Belcher is now finished and we started on a major project at Shaughnessy hospital. We expect that Winnipeg will be completed this year. There is a proposal in the estimates for architect fees and a start on construction at Westminster hospital in London. Perhaps I should say that this is a replacement program. It is not a new construction program in the sense that we are building beds additional to those we already have.

At Shaughnessy we propose replacing 250 beds which are located in what is commonly called, I think, the Marine building. It is a rather dilapidated one storey building which was built quite some time ago and is really in poor shape. It is full of patients so we hope to have a complete new wing to replace that accommodation within the next two years, that is if it is completed within that time.

At London we also have frame accommodation in which we have quite a number of patients. The active treatment side of the hospital must also be modernized, so it is proposed to build a 300 bed wing as a replacement for the

beds that we will have to give up in the building that will be demolished as soon as the new wing is completed. These are our two major projects for the next fiscal year. These are the two new projects included in the 1958-59 estimates.

In addition we have a number of minor projects to improve existing accommodation. For instance, we propose to improve the interior of pavilions B and C at Camp Hill hospital, which pavilions used to house tubercular patients. We have no more patients to put in there so we propose to modernize that accommodation and use it for another type of patient.

We also have alterations in the Queen Mary Veterans hospital. We are building new biochemistry and radiology laboratories there.

We also have another project going on. It started last year and we are going to complete it this year. That is new air-conditioning in the operating rooms and recovery rooms at Sunnybrook hospital. Although this is a fairly modern hospital, this air-conditioning was not done properly at the time it was built and we feel that it is such a busy place that it should work under ideal conditions.

We are also completing a new stores building in Westminster. The stores and the equipment were previously located in the basement of a frame building called the Colony unit. It was underground, and working conditions were pretty bad so we are now building a separate stores building which will be above ground.

Within the minor projects we are also building a new prosthetic and maintenance building in Victoria. I think Mr. Herridge would be familiar with the space occupied by the prosthetic shops in the Belmont building. We hope to complete, within the next fiscal year, the new prosthetic shop at Victoria. There are a number of small items, but in the main this covers the program.

Mr. CARTER: I note that Mr. Lalonde made no mention of Newfoundland in that program. Is it a matter of policy which is not yet settled, or is it just deferred for another year?

Mr. LALONDE: The only thing I can say, Mr. Carter, and that is all I am empowered to say, is that it is under active consideration.

Items 478 and 479 agreed to.

The CHAIRMAN: Now we have item 485, the war veterans allowances and other benefits, treatment and other allowances.

Are there any comments?

Mr. MONTGOMERY: Do they do any work at Lancaster for the merchant marine or in quarantine services? Perhaps that is not under this item.

Mr. CRAWFORD: This is covered by the Department of Health and Welfare. They pay us for the services we provide.

Mr. MONTGOMERY: Are the services for those people carried out by you?

Mr. CRAWFORD: Yes. We do sick mariner or merchant marine work in our coastal hospitals.

Mr. MONTGOMERY: What about immigration?

Mr. CRAWFORD: Immigration does not impose much of a load on us, except in the recent influenza epidemic when there were no places for the patients who wanted to go. We had quite a number of influenza cases, briefly, in our hospitals.

Mr. MONTGOMERY: What about cases of quarantine?

Mr. CRAWFORD: We only handle a small portion of those.

Mr. MONTGOMERY: Do you not have a little isolation hospital at Lancaster?

Mr. CRAWFORD: There is a big building which is a quarantine hospital. The title of it lies with the Department of National Health and Welfare, but we use it.

Mr. MONTGOMERY: Then there is still another small isolation hospital?

Mr. CRAWFORD: Down the hill?

Mr. MONTGOMERY: Yes. Is that used at all?

Mr. CRAWFORD: The isolation hospital is handled by the quarantine people themselves.

Item 485 agreed to.

Supplementary item 653 agreed to.

The CHAIRMAN: Gentlemen that concludes treatment services. Thank you very kindly, Doctor Crawford, for the information which you have supplied to the committee. We have no further business at this particular moment before the committee unless the deputy minister has any information which he wishes to bring forward at this time.

Mr. LALONDE: The only departmental estimate to place before the committee is the Veterans Bureau, and the committee agreed the other day that it would be better to look at it after you had looked at the Pension Commission items.

The CHAIRMAN: On Monday next we shall hear from the chairman of the Pension Commission, Brigadier Melville, and following that the Director of the Veterans Bureau, Brigadier Reynolds.

I am informed that we have lost this room for next Monday and we will meet in room 277, the Railway Committee room; that will be next Monday at 10:30 a.m.

The committee adjourned.

HOUSE OF COMMONS

First Session—Twenty-fourth Parliament

1958

STANDING COMMITTEE

ON

Physical &
Applied Sci.
erials

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

Estimates 1958-59 of the Department of Veterans Affairs

MONDAY, JULY 7, 1958

WITNESSES:

Mr. J. L. Melville, Chairman, Canadian Pension Commission;

Mr. F. T. Mace, Assistant Deputy-Minister, Department of Veterans Affairs.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.,

and Messrs.

Anderson	Herridge	Peters
Batten	Houck	Regnier
Beech	Jung	Roberge
Benidickson	Kennedy	Robinson
Bigg	Lennard	Rogers
Broome	Lockyer	Speakman
Cardin	Macdonald (<i>Kings</i>)	Stearns
Carter	MacEwan	Stewart
Clancy	MacRae	Thomas
Denis	McIntosh	Webster
Fane	McWilliam	Weichel
Forgie	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 277,
MONDAY, July 7, 1958.

The Standing Committee on Veterans Affairs met at 10:30 a.m. The Vice-chairman, Mr. Gage Montgomery, presided over the first hour due to the unavoidable absence of the Chairman; Mr. Walter Dinsdale took the Chair for the last hour of the proceedings.

Members present: Messrs. Batten, Beech, Broome, Dinsdale, Fane, Herridge, Lockyer, Macdonald (*Kings*), MacEwan, MacRae, McIntosh, Montgomery, Ormiston, Regnier, Robinson, Rogers, Speakman, Webster, Weichel, and Winkler.

In attendance: Mr. J. L. Melville, Chairman, Canadian Pension Commission, and Mr. L. A. Mutch, Vice-chairman. Also, Mr. Lucien Lalonde, Deputy Minister of the Department of Veterans Affairs, Mr. F. T. Mace, Assistant Deputy Minister; Mr. P. E. Reynolds, Chief Pensions Advocate; Mr. F. L. Barrow, Departmental Secretary; Mr. J. G. Bowland, Chief, Research and Statistics; and Mr. C. F. Black, Superintendent of Veterans Insurance.

At the opening of the proceeding, Mr. Montgomery explained that the Chairman, Mr. Dinsdale, was unavoidably late due to delay in air transportation.

Mr. Montgomery explained that there was a shortage in the distribution of the printed report of the Minutes of Proceedings and Evidence and invited a motion to increase the number of the English version; whereupon,

On motion of Mr. Broome, seconded by Mr. Herridge,

Ordered,—That pursuant to the Order of Reference of June 23, 1958, the Committee print 200 more copies in English of its Minutes of Proceedings and Evidence, thus bringing the day to day total to 950 copies in English and 250 copies in French.

The Vice-chairman introduced Mr. Melville and Mr. Reynolds to the members.

Item 489 was taken into consideration with Mr. Melville under questioning.

At 12.45 p.m. the Committee adjourned to meet again at 10:00 o'clock a.m. Thursday, July 10th.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

MONDAY, July 7, 1958
10.30.

The VICE-CHAIRMAN: Gentlemen, our chairman has apparently been delayed. We have no news of him but we do have a quorum. It is unfortunate that we have not got more members.

We have with us this morning the Chairman of the Canadian Pension Commission Mr. J. L. Melville, as well as the chief pensions advocate, Mr. P. E. Reynolds.

The first item this morning—but before we go any further I would like to say that we are running short of English copies of our reports and proceedings. So I would like to entertain a motion for more copies.

Mr. BROOME: Mr. Chairman, seconded by Mr. Herridge I move that pursuant to the order of reference of June 23, 1958, the committee print 200 more copies in English of its minutes of proceedings and evidence, thus bringing the day to day total to 950 copies in English and 250 copies in French.

The VICE-CHAIRMAN: You have heard the motion. Are you ready for the question? I declare the motion carried.

The item to be considered this morning, gentlemen, is 489, Canadian Pension Commission.

489. Administration expenses \$2,519,695

Since we have Mr. Melville, we shall permit him to proceed in whatever way he wishes.

Mr. J. L. MELVILLE (*Chairman, Canadian Pension Commission*): Mr. Chairman, and gentlemen: it is my pleasure once again to appear before a committee of veterans enquiring into pension matters and matters relating to them. First of all, may I express my regret that absence on duty in the west prevented me from being at your previous sessions. But I have read the proceedings of the committee, and taken note of a few questions which arose with regard to pensions.

I am happy to have on my immediate right, Mr. Leslie A. Mutch, deputy chairman of the commission, and a former chairman of the committee on veterans affairs.

It is my desire to assist this committee in every way possible in connection with its examination into the estimates of the commission, and I am prepared to answer any questions you may have. However, if I have not got the answers immediately available, I would be only too happy to get them for you.

In order to assist you I thought it might be well if I prepared a few questions and the answers to those questions because they relate to the set up of the commission, and I think they will make our position clear to you. So, if that is all right with you, Mr. Chairman, may I proceed?

The VICE-CHAIRMAN: I think that is a good idea.

Mr. MELVILLE: What is the Canadian Pension Commission?

The Canadian Pension Commission is an independent body created by statutory authority which—and here I quote from the act:

5.(1). Subject to the provisions of this Act and of any regulations, the commission has full and unrestricted power and authority and exclusive jurisdiction to deal with and adjudicate upon all matters and questions relating to the award, increase, decrease, suspension or cancellation of any pension under this Act and to the recovery of any

overpayment that may have been made; and effect shall be given by the department and the comptroller of the treasury to the decisions of the commission.

Now, what does the Canadian Pension Commission administer?

The commission is responsible for the administration of:

- (1) The Pension Act.
- (2) The Civilian War Pensions and Allowances Act.
- (3) Any like duties in respect to pensions or allowances which the governor in council may impose on the commission.

That is according to section 6 of the act. An example is known as the flying accidents compensation order, the original order was passed in 1922 with the intent of making provision in the public service—at the time flying was nothing like it is today and the hazards were very much greater; so that special order was passed then.

How does the commission report to parliament?

The commission is attached to the Department of Veterans Affairs and it reports to parliament through the minister of that department.

The chairman has the rank and the powers of a deputy head.

The staff of the commission is assigned to us by the department,—such staff, officers and employees as, in the opinion of the minister, are necessary for the discharge of our duties and responsibilities.

The department also furnishes us with accommodation and such other services as may be necessary.

Who constitute the commission?

- (a) The act states that the commission shall consist of not less than eight members and not more than twelve, who shall be appointed by the governor in council for a period not exceeding ten years.
- (b) For the appointment of not more than five ad hoc commissioners whose appointment shall not be in excess of one year, but may be renewed.
- (c) For the appointment of one of the commissioners to be chairman and another to be deputy chairman.

One very important aspect of commission work is the powers of the commission, and they are defined in section 5, sub-section 5, of the Pension Act:

"The commission shall determine any question of the interpretation of this Act and the decision of the commission on any question is final."

How many members constitute the commission to date?

There is a chairman and a deputy chairman who is before you now and who appeared at your previous sessions in my absence.

There are ten commissioners and three ad hoc commissioners making a total of 15. So that we have the twelve "term" commissioners if I may call them that, which is the maximum number the statute allows; and in addition to that the three ad hoc commissioners.

Having given you this brief outline of the statutory authority as to what constitutes the commission, may I now give a brief description of the set-up today, following which I shall be pleased to answer any questions and assist the committee in its deliberations.

The commission has its head office in Ottawa with the department. Throughout Canada it has representatives known as senior pension medical examiners in each district of the department.

To assist the committee, Mr. Chairman, I now wish to table a statement giving the names of the commissioners, the branches in which the commission is divided at the head office, together with the names and addresses of the senior pension medical examiners in each district, because I think it would be of assistance to members to know who is the senior pension official in their own area; also the number of doctors on the staff at the head office.

THE CANADIAN PENSION COMMISSION

Head Office:

Chairman—J. L. Melville.

Deputy Chairman—L. A. Mutch.

Commissioners—O. F. B. Langelier, J. M. Forman, J. R. Painchaud, Dr. J. F. Bates, W. H. August, Dr. W. L. Coke, L. W. Brown, S. G. Mooney, Dr. U. Blier, Dr. R. R. Laird, N. L. Pickersgill, (ad hoc), C. B. Topp (ad hoc), D. G. Decker (ad hoc).

Secretarial staff.

Claims and Review Branch.

Medical Advisory Branch.

District Offices:

Senior Pension Medical Examiners: Vancouver—Dr. J. W. Laing, Shaughnessy Hospital; Victoria—Dr. W. W. Bell, Belmont Building; Edmonton—Dr. C. Greenberg, Federal Building, P.O. Box 640; Calgary—Dr. C. A. Findlay, Colonel Belcher Hospital; Saskatoon—Dr. J. G. Fyfe, Federal Building; Regina—Dr. J. G. McLeod, Motherwell Building; Winnipeg—Dr. V. J. McKenty, Commercial Building; London, Ont.—Dr. W. R. Fry, Westminster Hospital; Hamilton—Dr. R. B. Gillrie, National Revenue Building; North Bay—Dr. G. A. Cowie, Federal Building, P.O. Box 540; Toronto—Dr. J. G. Ferguson, Sunnybrook Hospital; Ottawa—Dr. J. C. Armstrong, #8 Building, Carling Avenue; Kingston—Dr. E. S. Bird, Richardson Building; Montreal—Dr. H. Payette, 35 McGill Street; Quebec City—Dr. C. V. Demers, Ste. Foy Hospital; Saint John, N.B.—Dr. H. B. Bustin, Lancaster Hospital, P.O. Box 1406; Charlottetown—(Awaiting appointment) Confederation Building, P.O. Box 1300; Halifax—Dr. R. S. Henderson, Camp Hill Hospital; St. John's, Newfoundland—Dr. J. G. D. Campbell, Buckmaster Field, P.O. Box H-242.

Staff:

Staff at Head Office,—

Medical Advisers 18

Other staff 160

Total staff at Head Office 178

Staff in District Offices,—

Pension Medical Examiners 40

Other staff 176

Total staff in District Offices 216

Grand Total 394

With that general statement, Mr. Chairman, I am now very glad to answer any questions.

The DEPUTY CHAIRMAN: Thank you very much, Mr. Melville. I think that was a very good outline.

Now, gentlemen, would you like to have Mr. Reynolds make some general remarks before we start the questions?

Mr. P. E. REYNOLDS, (*Chief Pensions Advocate, Veterans Bureau*): No, I don't think so, Mr. Chairman.

The VICE CHAIRMAN: Then we shall reserve your remarks, Mr. Reynolds, until later.

Now, we shall throw the meeting open for questions. Mr. Herridge.

Mr. HERRIDGE: Would the chairman of the pension commission please tell the committee what procedures a veteran goes through from the time of his making application for a pension, the re-hearings, the appeals and so on, so that the whole thing is in the record in sequence. I know he enjoys doing this.

Mr. MELVILLE: Isn't that a modest request?

Mr. ORMISTON: How many doctors are on the pension commission?

Mr. MELVILLE: At the head office we have 18 medical advisers and a staff of 160. That staff is made up of the secretariat, the medical advisory branch, and the claims and review branch. That is the head office set-up.

In the districts throughout Canada we have 40 pensions medical examiners and 176 members of the staff, making a total of 216 in the districts.

The total staff of the commission numbers 394. I trust that answers your question.

In answer to your question, Mr. Herridge, there are two procedures in effect. The first is the procedure which relates to World War I veterans, as you know. The second procedure is the one which relates to claims arising out of World War II service, and service in the theatre of operations, which was Korea. Peace time service is on a different basis.

Now, even today—and every day—the commission rules on applications for pension consideration arising out of service in World War I.

There are quite a number and the procedure is this: the act was amended in 1936, and established this new procedure for World War I veterans, who may possibly have a claim for entitlement to pension.

The commission receives an application through one of the districts. It may come directly from the veteran himself, the veterans bureau or in a number of cases through the legion, either at the provincial command level, or through one of the service officers at legion headquarters.

That claim comes to the commission, and it is referred to the medical advisory staff. The medical advisory staff of the commission is divided into five branches. One is the cardiac, lung, and renal division which deals with claims in that category. Number two is for ear, eye, nose and throat claims; three is for gunshot wounds; four is for general diseases; and five is for psychiatric.

So, depending on the classification into which the application falls, the claim in question is referred.

The medical adviser concerned makes application to the director of the war service records for the documents which were completed during the applicant's service in world war one.

These documents are obtained and reviewed by him, and he records on the medical precis the relevant entries from the records.

It is most important as to how completely these records deal with the claimant's disease or wound, and as to the treatment he had in probably a field ambulance, or in a casualty clearing station, or at a general or a base hospital, maybe it was in Canada.

He prepares his medical precis, and at the conclusion he states his opinion as to whether or not the disability was incurred or aggravated during service. That opinion, with the file and documents comes into the board room where it is considered by one of my colleagues.

He in turn examines the records and he notes the opinion of the medical adviser and he—and he alone—is responsible for the real decision as to whether or not that disability was incurred on or aggravated during service.

He takes it away with other applications and he dictates his decision.

The Pension Act provides that a decision of the commission shall be the decision of two commissioners. So when that decision comes back to the board room, it is reviewed by one of my colleagues. The reasons are fully stated in the decision. If he concurs, he signs it.

Then it is reviewed by a second commissioner who follows the same procedure, and if he concurs, he also signs it, and that constitutes the decision of the commission.

That decision is promulgated through the secretariat. The applicant is advised of our decision and of the reasons leading thereto and he receives a copy of it. He is also advised as to the procedure open to him should he desire to proceed further with his claim. What he may do is this: that decision is known as the first hearing in world war one claims. He is advised that he has the right to proceed further with his claim, and may request a second hearing.

In the letter of advice that he receives, it is stated to him that the services of the veterans bureau—represented here by the chief pensions advocate—a branch of the Department of Veterans Affairs, are available to him without any cost whatsoever.

The chief pensions advocate is represented by the district pensions advocates in the various departmental districts in Canada. On the other hand, it is suggested to him that he may seek the advice and help of one of the national organizations of ex-service men, or should he so desire, he may engage counsel at his own expense.

The letter also advises him that there are certain time limitations in which he may submit his request to go to a second hearing.

If he presents a claim for a second hearing it again reaches the commission, and it is thoroughly reviewed once more by the medical adviser and in turn submitted to the board room for consideration.

If, upon consideration, the commission reaches the conclusion that the disability for which the application is made was incurred on service or was aggravated during service, entitlement is conceded.

An examination is then arranged through one of the pension medical examiners to determine the extent of the disability, and when it is assessed, pension is put into payment if the disability is of an assessable degree.

Should he fail to establish entitlement at a second hearing, again he is notified of our second hearing decision and is given the reasons leading to it, and what action is open to him. He now has the right to request the privilege of appearing before an appeal board of the commission sitting in his own locality.

At that time he must claim for all conditions, which he considers are related to his service.

I should state that before going to a second hearing, the veterans bureau would complete a summary of the evidence. They review the whole claim and the evidence relating thereto.

The Bureau take the evidence found in his service documentation and any other evidence which may be submitted, and that summary of evidence is used as the basis on which his claim is considered. The applicant may add thereto.

When the claim is listed with the commission as being ready for hearing by an appeal board, we review it and others to see how many cases are listed, say in Manitoba, or in Saskatchewan or Alberta, and then hearings are arranged; an itinerary is prepared, and the hearings notified to those concerned.

The applicant appears in person before the appeal board. He is allowed to have with him his advocate who assists him in the preparation and presentation of his claim; and he is entitled to have such witnesses as he may desire in support of his claim. His travelling expenses and those of the necessary witnesses are also paid.

That appeal board consists of three of my colleagues, three commissioners. The act provides that neither one of the three shall have considered that claim previously. In other words they treat it as a claim *de novo*, and it is considered by the three members of the appeal board.

Should it happen that one of them has adjudicated previously—the applicant is informed before the hearing opens that commissioner so and so who is a member of the appeal board has adjudicated on his claim on a previous decision, and the applicant is asked if he has any objection.

I might say that these commissioners do not remember a particular claim because they deal each day with a vast number of claims. But if the applicant should object, then his case is delayed and it comes before another board, with the composition of which the applicant has no objection to allege.

The next step is this: the Pension Act provides that the decision rendered by the appeal board is final and binding on the commission.

Irrespective of the decision rendered by the commission at the first or the second hearing, when the claim comes before the appeal board, the evidence is heard and the appeal board reaches its own decision.

If they concede entitlement, then a copy of their decision,—the original—is forwarded to the commission and we abide by that decision. The act states and I repeat that the decision of the appeal board is final and binding on the commission.

We instruct our pension medical examiner in the district concerned to arranged to have this applicant, whose claim has been conceded, called in for examination. The extent of the disability is assessed and, if of an assessable degree, pension is put in payment.

A pensioner is entitled to additional pension for his wife and his children; and if he has a dependent parent or parents who are supported by him, he is entitled to additional pension on their behalf.

That is the procedure which applies to World War I pension claims, and also to claims arising out of peace time service, although the basis of entitlement for peace time service is a little different, as I shall explain.

With regard to World War II we were faced with an entirely different situation. In World War I 650,000 men bore the badge of Canada. In the Great War, 60,000 met death and passed on. In World War II we had over one million members of the forces and had we carried on with the procedure which I have outlined, it is obvious there would have been a tremendous impact of claims arising out of World War II service. We would have had to set up an enormous body not only to deal with the claims, but to deal with the appeals.

I want to elaborate. After a great deal of consideration it was decided that the man who served in World War I had an opportunity from 1918 to 1936, when the act was amended, to study his case in order to collect evidence and present his claim to the commission. Then, in 1936 as I have explained, the statutory limitations were imposed. With respect to World War II, the procedure was changed and we said the commission shall render an initial decision, and after that an applicant may renew his claim as often as he desires if he has additional evidence. He can come back for four, five or six renewals. The commission imposes no restriction in that regard. At any stage after the initial decision, he may request an appearance before an appeal board. There were a number of sound reasons which led to that decision. One was to obviate the impact and the rush to get claims through. The second was to allow a member of the forces time to consider his case.

The first problem he was concerned with was rehabilitation. He may have had a minor injury which did not worry him at the moment. He wanted to get re-established and he did not worry about his pension claim. So he had time then to sit back, and there was also time for latent conditions to become manifest. May I say that the procedure for World War II has worked out remarkably well.

There was one other consideration, and I mention it in order to answer Mr. Herridge's question very fully. As we know, in World War I, discharges were carried out in a great many cases on a short board. Many men who had disabilities took their discharge and never made application for pensions. I stated earlier today that we are receiving applications every day from World War I veterans for pension consideration. The procedure we followed

was different for World War II. The commission reviewed the proceedings of each discharge board. If a man had a disability we dealt with that as a claim.

If the particulars on the discharge medical board were insufficient, we arranged for examination through one of our district examiners. Having received that examination and a definite diagnosis we then ruled. In that way, every claim where disability was demonstrable was dealt with, or the great proportion.

I think it is very important to state that in every decision rendered we gave fully our reasons leading to the decision. This is very fair because a man has a right to know the basis on which we reject or grant his claim. That takes care of World Wars I and II.

In regard to members of the special forces who served in the theatre of operations in Korea, the procedure in effect is the same as for World Wars I and II. In other words, he may claim for disability incurred in service or aggravated during his service.

Now, in regard to peace time services—and I am sure you gentlemen have received claims and objections because I so find from correspondence received from you the basis of entitlement is different—Section 13 (2) of the Pension Act provides that in order that entitlement may be conceded by the commission for disability incurred during peace time service or for death, it is necessary to establish that the disability or death arose out of, or was directly connected with such peace time service. In other words, that the disability or death which was incurred during peace time service resulted from the performance of navy, army or air force duty. That basis of entitlement is very much different from what is known as the "insurance principle", the very broad coverage which applies to all those who served in World War I and in World War II and in the theatre of operations in Korea.

Mr. BROOME: In regard to World War II veterans, you said they could have as many hearings as they wanted. When they do go before an appeal board, is that just as final as previously?

Mr. MELVILLE: Exactly the same.

Mr. BROOME: And the same qualifications would apply for the appeal board, that is to say that they could not sit in on the cases before?

Mr. MELVILLE: Yes.

Mr. BROOME: I am not too clear on this. When you have second hearings, would the whole pension board sit in and assess on second hearings and concur in the decision brought down by the two commissioners who had reviewed the case?

Mr. MELVILLE: No, it is a decision of the commission and the Pension Act provides that a decision of the commission shall be that of two commissioners.

Mr. BROOME: In other words, the whole commission does not sit in?

Mr. MELVILLE: No. There are times when we do sit in as a body; maybe six of our commissioners are absent on appeal boards. We have meetings every afternoon without exception. A difficult case which has been presented to my colleagues may be brought in for a general discussion, but that would be an unusual case.

Mr. BROOME: You say that the appeal board is usually separate and distinct from the people who first sit on the case. Is there any chance of the appeal board in a certain sense having had their minds made up to a certain extent before the appeal comes to them because they are part of the commission which ruled initially?

Mr. MELVILLE: It is an exceptional case that would be discussed at an afternoon meeting. It would probably have some unusual feature—for example, peace time service, or some particular phase of peace time service. However, normally that does not happen. It has to be a most unusual case.

Mr. BROOME: I would like to follow that up. Is it true, in assessing evidence, if a doctor in the employ of the board says one thing and a doctor not in the employ of the board says the opposite, usually or invariably the commission will go by their own medical advice?

Mr. MELVILLE: No, definitely not, very definitely not.

Mr. BROOME: I have read certain cases—maybe I picked the wrong ones—in which there was direct contradictory evidence.

Mr. MELVILLE: I can give the reason leading to that, where you would find contradictory evidence. The medical officer concerned has based his decision on the history given by the applicant, whereas the opinion rendered by the medical advisers to the commission is based on actual documentary records.

Mr. BROOME: But those records are available to the man outside.

Mr. MELVILLE: He can have access to them if he has the authority. With the proper authority that of the applicant he can have access to them.

Mr. MCINTOSH: Has that question been answered?

The CHAIRMAN: Yes. Are there any more questions on this particular point?

Mr. MCINTOSH: I have a question along the same line, but that is not the question. In some of these records I have seen the names are similar, and there is evidence of admissions to the hospital which never did take place in that man's history, although it is recorded there. It has been related to some other person that served, possibly with the same name. Do you run into many cases of that kind?

Mr. MELVILLE: Very few. I am very glad to have the opportunity to state that my colleagues and I are amazed at the completeness and accuracy of the records that are collected and are maintained through the director of war service records. There are a few mistakes, and when found, a re-examination is made of the records. We check it because it is very important.

Mr. MCINTOSH: In my own case, 50 per cent of the evidence on my documents did not apply to me at all.

Mr. MELVILLE: It is possible.

Mr. MCINTOSH: 50 per cent is a large percentage. I can understand one item, but not so many different ones.

Mr. MELVILLE: I can assure you that these cases of mistakes in documentation are few and far between. They are immediately rectified by the commission and the director of war service records, who is glad to make the correction and transfer the record to the proper member of the forces.

Mr. MCINTOSH: In regard to pensions or allowances to dependents of service personnel that were killed in a theatre of war, in some cases, one in particular I know of, the pension has been stopped. What would be the reasons for that?

Mr. MELVILLE: Is this a disability pension?

Mr. MCINTOSH: No, it is an allowance, I guess, to the parents of the lad who was killed.

Mr. MELVILLE: I take it you are referring to a member of the forces who died on service or whose death resulted from his service and as a consequence of which the commission has made an award on behalf of a parent or parents?

Mr. MCINTOSH: Yes.

Mr. MELVILLE: The act provides that such an award should be paid, provided the parents are in a dependent condition. In order to determine as to whether or not they are in such a condition, it is necessary that the commission be advised as to the amount of income they have. The maximum amount the act authorizes for one parent is \$90 monthly, and if there are two parents the maximum is \$115. The commission has set an income ceiling of \$110 in the case of one parent, and whether the parent is a widowed mother the ceiling is \$120, because she is in a preferred position. Where there are two parents the maximum we can pay is \$115, and the ceiling is \$145. In the case you mentioned it may be that one or both parents are now in receipt of old age security, and with their income from other sources their combined income is in excess of the allowable ceiling. If that is so, the commission must cancel the award.

Mr. McINTOSH: Would they not be notified as to the reason why it was cancelled?

Mr. MELVILLE: Oh yes, very definitely. I would like to have the case and I will check it up for you.

Mr. McINTOSH: I have the case.

Mr. MELVILLE: I would be glad if you would let me have it.

Mr. BEECH: I wonder if you could tell us the number of applicants who are accepted on the first application?

Mr. MELVILLE: I was unable to hear your question.

Mr. BEECH: What percentage of applicants are approved for a pension by the commission on the initial application?

Mr. MELVILLE: I can give you the figures. You would like to know how many were received and how many were granted?

Mr. BEECH: Yes.

Mr. MELVILLE: I can give you the figures.

Mr. BROOME: Could you add to that the number in regard to appeals?

Mr. MELVILLE: Yes.

Mr. BROOME: I would like to know the number of appeals and the number of appeals granted. Could I have the percentage?

Mr. MELVILLE: Would you like it during the last fiscal year?

—Mr. Dinsdale assumed the chair.

Mr. BEECH: I am just trying to get an idea.

Mr. MELVILLE: Before giving the figures, I wonder if you realize this. The commission is now called upon to consider many claims for the death of World War 1 veterans. The average age is 69. For many years the drop in the number of pensioners for World War I was fairly slight. Now it has taken a very decided dip, as has to be expected, and we are called upon to rule with respect to these. Many of them have never been in receipt of an award of pension, but for various purposes, such as returned soldiers insurance, the erection of a headstone and other things, the commission is called to render a decision with respect to death.

Mr. BEECH: It seems to be an impression abroad that the applicant is turned down on the first hearing on general principles. I am just wondering if that is true.

Mr. MELVILLE: Definitely not. For the fiscal year 1957-58 the total number of applications received by the commission for first hearings was 11,684. Of that total 2,635 were granted and 9,049 were not granted. Now we come to the second stage and I think, Mr. Broome, that will deal with your question. If I take second hearings and renewals and then go to appeals, you will have the initial, the second stage and the final. Second hearings and renewals. The total

received was 4,126. Of the 4,126, there were 1,168 granted; and 2,958 not granted. When we come to the final stage, which is the appeal board, 1,471 of these applicants signified their intention and went before an appeal board of the commission. Of these, 625 claims were granted by the appeal board and 846 were rejected. During the last fiscal year a grand total of 17,281 claims were considered; 4,428 were granted and 12,853 were not granted.

The CHAIRMAN: Mr. Robinson had a question.

Mr. ROBINSON: Mr. Broome asked the question I had in mind.

Mr. WEICHEL: I have a letter on my desk here regarding appeals and I thought perhaps it might be interesting to the gentlemen to look it over. It came from Mr. Mutch.

Mr. MELVILLE: It is a reply from my deputy chairman?

Mr. WEICHEL: Yes. I thought the gentlemen would like to see it. It is in regard to an appeal from one of the veterans of Waterloo.

Mr. MELVILLE: This letter which Mr. Weichel received from the deputy chairman is of interest because it raised one point which I might have covered in the reply to Mr. Herridge's question. The Committee does not deal with an individual case, so I will deal with the general case here. The appeal board ruled that this man's claim for hypertensive and arteriosclerotic heart disease with multiple myocardial infarctions was not attributable to active force service; pre-enlistment condition, aggravated during regular peace time service subsequent to World War II, but the aggravation is not pensionable as it did not arise out of, nor was it directly connected with military service. You may have found that a little confusing. The situation is that it was not incurred or attributable to his service in World War II, but after World War II he served in the peace time forces of Canada. The appeal board before whom he appeared found that while the condition was aggravated during that service, it is not pensionable because the aggravation did not result from the performance of army duty in peace time. In other words, it was the normal progression of arteriosclerotic heart disease, which is hardening of the arteries. They tell me this begins at birth and carries on throughout the whole of your life span.

Now, one interesting point again—as the deputy chairman pointed out—is that the decision rendered by the appeal board is final.

Section 65, sub-section 4 of the Pension Act provides for application for leave to reopen and it says that it must be based on evidence not having been adduced—new evidence—or an error in the decision of the appeal board, that is, something that comes up after the appeal board has rendered its decision and which may establish the fact that there was error.

When an application for leave to reopen is received by the commission, an appeal board is named consisting of three members again. They do not review the claim because the decision of the Appeal Board before them is final. All they do is to examine this new evidence and if they find that there was error in the decision of the original appeal board, they grant the application.

If the application is granted by the appeal board, everything that happened in the past is washed out.

The man starts again. If it is a World War I application it goes to first and second hearings, and if he does not make it, he goes to appeal.

If it is a World War II application, he goes to "initial", which is a new claim altogether and may eventually go to appeal.

Mr. WEICHEL: You mentioned that he may contact "Scotty" Forbes, his Canadian Legion branch, or the district pension advocate?

Mr. MELVILLE: "Scotty" Forbes in London is a very very well known veteran, and he does a tremendous amount of work for the legion in that area as a service officer. He is very highly regarded by the commission, and I think that at nearly every appeal board which meets in that area he is present.

Mr. SPEAKMAN: Mr. Melville has said that in the study of the medical evidence, the pension commission medical people have access to the records.

The applicant may have a doctor acting for him who is presenting his case or helping to present it. But that doctor does not have access to those records. However he does have access to the "presentation" of the man who is claiming.

The civil doctor is actually where you start your claim. He has before him the condition, whatever it might be, or how it may have been aggravated by service. I would like to reconcile those two; in other words, your pension commission medical men are studying things that happened in the past, whereas your doctor at the moment is studying the actual condition of the applicant.

Mr. MELVILLE: That is very, very true, Mr. Speakman. But we have access to all the records.

That applicant may, and most likely has, received treatment in a local hospital. We have the certificates from his doctor, and all these are before the commission.

As I stated in a previous answer to a question, very often the opinion of the doctor was based upon the history given to him by his patient, whereas the documents before the commission did not substantiate that the man had that condition on service. There was nothing in the way of treatment during his service; there was nothing on the proceedings of his discharge medical board; there was nothing in the immediate post discharge period.

Let us say that the condition was diagnosed anywhere from 1955 or 1957, and to establish it in connection with his world war II service constitutes the difficulty which presents itself to the commission!

Mr. SPEAKMAN: This man comes up with a condition.

Mr. MELVILLE: Yes.

Mr. SPEAKMAN: And he goes to his doctor and he says: "I have this. I have had service. I do not know if it was connected with my service, but if it was, I think I should be entitled at least to treatment."

Some of the veterans' diseases today are rather expensive with regard to medication. The doctor might say that it could easily be connected with his service. And while he did not have it during his past service, it might well result from conditions during that service.

Mr. MELVILLE: Let us say we receive the claim today, July 7, 1958. The second war finished in 1946 and World War I in 1918. Before rendering our first decision, be it on the first hearing or be it "initial", the act says that we shall pursue all inquiries. Therefore we do make inquiries through our pension medical examiners in the man's area.

We say: "Can you find out if there are any records in the hospital there, and if so how far back do they go?" And we ask the medical examiner to have our pension visitor call on him and see if he has anything to submit in support of his claim.

The records of his doctor might go back. In other words, we endeavour to secure all the information.

May I make it very clear that all my colleagues and practically all the medical staff of the commission are former members of the forces and we have one desire and one desire only, namely, to make available to former members of the forces and their dependants the maximum benefits permissible by the Pension Act.

Our job is to award pensions and not to deny them. That principle I can say with absolute truth is one which is followed by my colleagues. We try to help them.

Mr. SPEAKMAN: I quite agree with you. It is just that you made that statement and I wanted to reconcile it in my mind.

Mr. BROOME: I have a supplementary question.

Mr. MELVILLE: Before you ask your question, Mr. Broome, the deputy minister advises me that there may be an impression whether outside persons who are interested in helping the veteran advance his claim should have access to the documents.

The district pensions advocate may have and does obtain copies of all the service documentation for completion of the district office file. And that file is available to any authorized person. He must have the authority of the applicant in order to examine his documents. That is a precaution which I am sure you all appreciate.

Mr. BROOME: I was looking over a case where a man died of a heart attack about a year or so after his discharge. He was 33 years old.

His doctor claimed that his medical record in the army, and the disease he suffered from during his term in the army, did have a contributory effect upon causing this heart failure. However, the departmental medical advisers said that it did not.

Now, I am informed that it is just a case of one doctor against the other, and therefore it is quite right that you would take your medical man's advice on it.

But should some new evidence be put in, let us say, from a specialist in heart disease, and should three or four of them come up and say that there was a contributory factor, that I understand would constitute new evidence which would entitle the commission to look at it again.

Mr. MELVILLE: Even before that stage, in some of these difficult medical cases—I mean in a number, where there is opposite medical opinion, we refer it to the director general of treatment services of the department, and state that as far as the medical records go, this is our conclusion. We say: "Would you select in a heart case your best specialist in that field of medicine and would you refer the file with all the opinions to him."

Now, he is entirely removed from the commission. As a rule these doctors are outstanding in the field of medicine, and in their own communities they are on the part time staff of the department. He then makes his independent study and that opinion is received by the commission. We do that in a number of cases, and we receive the utmost cooperation from the treatment services.

Mr. BROOME: May I work through the regional offices of the Department of Veterans Affairs in doing something like that?

Mr. MELVILLE: Whether or not they are in a position to do it I cannot say, but the application could be made.

Mr. BROOME: In the assessment of medical evidence, the pension commissioners are pretty well bound to take the advice of their doctors?

Mr. MELVILLE: I said at the beginning that the commission consisted of fifteen members, and of those fifteen members at the moment five are doctors.

We did have four lawyers but one has died. So now there are three lawyers. They are very necessary on the commission because we are administering a statute, therefore, law plays a very important part. We are dealing with claims for disability and death. Therefore medicine must play a very important part and we have doctors on the commission. There are five of them at the present time.

And then, for the record, I would say that it was the decision of parliament that the governor in council make the appointments to the Commission.

In order that law may not be the predominant factor, and in order that medicine may not be the predominant factor, you have a proportion of laymen. It is the responsibility of each to know all the provisions of the Pension Act.

So you have law, you have medicine, and you have laymen, and in general it works out as a very, very happy mixture. My desire always has been that an appeal board of the commission shall, where possible, consist of one legal member, one medical member, and one lay member. That is not always possible to accomplish, but that in general is the set-up of an appeal board of the commission.

Mr. MACDONALD (*Kings*): I would like to ask Mr. Melville a double-barrelled question. Would he explain to us first the statute of limitations of 1936? We find that quite a number of our first war veterans are confused about it.

My second question is with regard to pre-enlistment origins. You mentioned that in the decisions which are made there are some reasons given for refusal. In my experience reasons have been very very briefly given, and with very little explanation.

I have also found, on a number of occasions, that there seems to be no justification for the grounds for refusal of pre-enlistment origin. For example, there is nothing in the man's medical record while in the service. Yet the man will swear emphatically that he did not have a certain condition which the commission claims was pre-enlistment in origin.

Would Mr. Melville give us some information on that point?

Mr. MELVILLE: First of all you asked about the statute of limitations of 1936.

Parliament makes the laws. The commission administers them.

Through the years from 1918 to 1936 repetitive claims were received from all sources from World War I veterans—they were pension-conscious, and they kept up their claims.

Then parliament in its wisdom and as a result of many special committees on veterans affairs as well as a royal commission which had met some years earlier—that was the Ralston Commission—decided in 1936 that some limitations should be made in the statute, and that the procedure should be changed, allowing a man a reasonable opportunity for lodging a claim and for the advancement of his claim and for the hearing, by an appellate body.

Therefore in 1936 the Pension Act was amended and the procedure which I outlined in regard to first and second hearings and appeals came into effect.

The commission, as the body administering the Pension Act, had to give effect to the 1936 amendment.

You mentioned the statute of limitations. The act in section 15, I think it is, says that the commission may not entertain an application for pension for disability incurred during World War I service unless the application therefor was made before the 1st July, 1936. That is what the statute directs.

But I have said that the commission endeavours to assist the men. So if upon examination of his documents and discharge medical board, we find the disability for which he had never claimed until now but it was recorded there, we say that the application lay dormant from the date of his discharge until the date when his application was made even though it be 1958, and we therefore consider that application.

But with a World War I veteran today who was discharged with all systems normal, and there was nothing on his documentation whatsoever, the commission must say that having regard to section 15 of the Pension

Act, no pension shall be paid unless the application therefor was made prior to July 1st 1936 and that as he did not make application, we cannot consider his claim.

That only applies to those who did not have service in a theatre of actual war.

Mr. MACDONALD (*Kings*): Then the World War I veteran who had nothing on his record indicating there was some slight disability for which he was treated, has no chance today for an application for pension due to World War I service?

Mr. MELVILLE: If he served in a theatre of actual war, and is able to produce evidence showing some continuity between the date of his discharge from the service and the date of his application, we certainly will consider it and assist him.

Mr. WINKLER: I would like to ask Mr. Melville a question regarding the condition known as hardening of the arteries.

He has outlined the different points regarding the commission's attitude in being extremely liberal with their decisions. I wonder, in the case of a man who has a record of this nature—I am speaking of course of a specific case—of a veteran of both wars. In the case of the second war he went in in good condition and came out in a category.

Sometime following that he applied for a pension and received it. He carried on with his normal functions and his job until quite recently, when he had to stop work. Upon making application for full pension he was told that his condition related somewhat to the general condition of the period prior to enlistment.

But I believe that in these instances such men with such a condition age prematurely. And where a man has had to leave his normal duties and what he received as income, I am of the opinion that that man should be placed on full pension. However, in this particular instance the applicant was refused and I do not consider that the decision was quite just. Moreover, where the responsibility for this proof rests upon the applicant, I think it is rather unfair.

That is not the only case. I could cite other instances where it has happened to veterans of the second world war who are in good enough condition that they won't carry their cases back to the pension board, and who entered in grade (a) categories but came out somewhat the worse for wear.

Now they are making application and they are being given the same decision—that their conditions related to pre-enlistment causes. Where this knowledge is available to you I feel that these particular people have not had the best of treatment. They are now making an appeal to me. Whether it is because they know me personally or not, I do not know; but nevertheless I wonder what Mr. Melville would have to say under those circumstances?

Mr. MELVILLE: May I apologize for not answering the second part of your question Mr. Macdonald and come back to it after I have replied to Mr. Winkler's question?

Dealing with the first topic because you mention he was a veteran of World War I and that he saw service in World War II and was suffering from a heart condition for which, I take it, the commission had conceded entitlement on an aggravation basis, might I say that arteriosclerosis is part of the normal process of ageing and it affects each and every one of us.

In determining the condition, the commission examines all the documentation and takes into consideration his theatre of service, his length of service, his condition at the time of enlistment, his condition at the time of discharge, and his condition at the time application for pension is made.

Having considered all these factors and having reached a favourable conclusion in this arteriosclerosis case that the condition was pre-enlistment in origin, we study the degree of aggravation. The degree we allow is based upon the factors of the theatre of service, the length of service, and the condition at enlistment as compared to the condition at the time of discharge. The condition was certainly not wholly incurred during his World War II service.

Mr. WINKLER: No. I am willing to accept that. And in this particular case I mentioned the man was able to carry on with his normal duties until not too long ago. Then he was forced to stop work due to his condition.

I feel that this man has served well, in this instance, and I feel that this condition could be brought on primarily by his past service. While he had not complained at any time until the last time when he was forced to stop work, he was refused an increase in his pension.

Mr. MELVILLE: If the condition was brought on prematurely by his service, that is why we conceded aggravation. In other words, his heart condition worsened materially, or to some extent it was worsened, as a result of his service. Therefore we concede aggravation, designating it one-fifth, two-fifths, three-fifths, or four-fifths.

If we conceded two-fifths and he was of the opinion that we had not given him enough, he might come back to the commission with evidence asking for consideration of a higher degree of aggravation. He can do that at any time.

Mr. WINKLER: That is what he has done, and he has been refused.

Mr. MELVILLE: We refused him on records available to us.

Mr. Macdonald asked me to say a word about pre-enlistment conditions. He knows very well that he poses a very difficult subject when he asks me to speak about that. But there are any number of conditions which are undoubtedly pre-enlistment in origin. For example, there may be refractive errors, and so many other things. We have spoken about arteriosclerosis and the general process of ageing and so on. We must give some consideration to them.

But there is provision in the Pension Act whereby if that man saw service in a theatre of actual war, and the condition was not recorded at the time of his enlistment and was not obvious, he is pensionable to the entire extent. The decision of the commission in that case would be heart condition or some other condition aggravated during service in a theatre of actual war and pensionable for the entire because the condition was not obvious or recorded and service was in a theatre of actual war.

Our decision would be pre-enlistment in origin and aggravated during service in a theatre of actual war not obvious nor recorded. We have thousands of men whose conditions were definitely pre-enlistment in origin but who are pensioned to the entire extent of the condition because of the factors I mention.

The condition was not recorded. He was examined upon enlistment and no mention was made of it. It was a condition which would not be obvious to any layman. In your case a cardiograph would not be carried out at the time. But because it was neither obvious nor recorded, he has a pension for the entire.

At previous special committees on veterans affairs, in order to remove any doubt as to what constituted "recorded" at the time of enlistment, a definition was advanced which is now incorporated in the Pension Act in section 2 "u", the interpretation section. You will find it very clearly and definitely laid down, and the commission must abide by it.

Mr. MACDONALD (*Kings*): Even when there is nothing on the man's record and when there is no admission by him that he had a certain disability previous to enlistment, nevertheless it fairly often—or at least sometimes comes through as a reason.

Mr. MELVILLE: I have examined the proceedings of four enlistment boards where there were men who had lost an eye before their enlistment—and there is on record the case of a man who had lost a leg prior to his enlistment—but it was not mentioned on the record at the time of his enlistment and it did not appear in the records until months later.

Mr. MACDONALD (*Kings*): I refer to cases that are internal. Those are obvious things of course.

Mr. MELVILLE: There are certain systemic conditions where questions of doubt arise even amongst the most advanced medical knowledge as to whether or not they are pre-enlistment in origin.

Mr. MACDONALD (*Kings*): That would be a matter of medical opinion.

Mr. MELVILLE: That is right and in such cases we go to the treatment services of the department. You can get no better medical opinion in Canada than you get through that departmental service.

Mr. ORMISTON: According to the figures which Mr. Melville has given us it would appear that many veterans who apply for pensions and are not granted them in the first instance nevertheless are given pensions after subsequent hearings.

Would you attribute this to closer scrutiny of the man's papers, to aggravation of the condition, or to a different interpretation by some other member of the commission?

Mr. MELVILLE: Not necessarily so. I just returned at midnight on Thursday from a visit to Calgary, Vancouver and Regina.

When I was at Regina I discussed some of the very points which you have raised. Very often when a claim comes before an appeal board, members of the board are impressed, first of all, by the credibility of the applicant and his witnesses.

When you have a man before you with a good record of service, and he tells his story in a straightforward manner and gives you the basis of his claim, and if he has an advocate to assist him in his presentation, and what is most important, if he has additional evidence which had not previously reached the commission—the three members of the appeal board accept that evidence, and in some instances there is no need to proceed further with the claim.

In such cases the evidence before the board satisfies them as to the merit, and the claim will be granted right there and then. The preparation and presentation of evidence is a very important factor.

Mr. ORMISTON: Do you believe that the preparation of evidence is sometimes a bit scanty in the first instance?

Mr. MELVILLE: Our first hearing decision and our initial decision are often based on a claim and nothing more. The man will say "I want a pension for a condition."

As I have said, we get his medical documentation and examine it, and where we can find nothing on his service records to establish the relationship, we so advise him of the reasons leading to our decision.

He may then say "Well, I was in so and so hospital where I was treated and then I was transferred some place else, and I was probably treated by my regimental medical officer, and I can get evidence." And so he gets it. The very fact that the commission has rendered its decision and has given the reasons leading thereto assists the man in going ahead with his claim. It may

be, as some of the members have stated the reasons are not clear,—maybe in the eyes of the applicant they are not—but we are always ready for him to renew his claim, and we will study it all once again.

Mr. ROBINSON: The answer the chairman has given pretty nearly answers what I had in mind. The figures given a short while ago indicated that out of the first applications 2,600 were granted out of 11,000. In the case of second applications, there were 4,100 odd applied and there were 1,168 granted out of that. From that, there were 1,471 went to appeal board and there were 625 granted through the appeal board, so the question is fairly well answered. Is there any cause for such a large percentage getting a pension that did not get it at the first hearing, or is there something we are slipping up on such as the presentations not being properly made. Where would the bulk of that be? There were 1,793 that were not granted on the first application and 2,635 which were granted, so it is a large percentage I would think in that short period from 1957 to 1958. I was just wondering if we were slipping up on anything. What is the cause?

Mr. MELVILLE: It is quite a high percentage and I can assure you the commission takes no exception to it. We are glad to see him win his claim. As I said, a great deal depends on the credibility of the witness, and the witnesses who appear before the appeal board very often produce additional testimony. For example, we could take a doctor who comes as a witness. He has given a statement before but he comes this time and brings his day book. As a result of this he can give evidence and say "I treated this man for so and so in 1946 and in 1948", and so on. There is a great deal of new evidence which is obtained by the advocate, or through the veterans bureau or the legion, or someone else who may be collecting the evidence. They may have seen the man, and are pursuing his claim actively and getting all the information, knowing that the decision of the appeal board is final.

Mr. ROBINSON: You say the principal cause of that percentage is just in regard to the presentation of the claim not being properly put up the first time?

Mr. MELVILLE: I would not say it is not properly put up; they probably presented a much better picture, and section 70 says the benefit of all reasonable doubt shall be given to the applicant. That applies at every stage of the proceedings. The members of the appeal board are there and meet him in person. They hear all these witnesses and are impressed. They say, "a doubt as been created. Section 70 of the Pension Act says that doubt shall be resolved in favour of the applicant. We resolve it."

Mr. LOCKYER: Mr. Chairman, my complaints seem to be based on the fact that when veterans make application there is a number of months before he even hears from the board. Can anything be done about that?

Mr. MELVILLE: I take it your question—

Mr. LOCKYER: As a matter of fact, after that I wrote the department asking for the reasons, but I have not had a reply.

Mr. MELVILLE: Is it a case going to appeal, Mr. Lockyer?

Mr. LOCKYER: Oh yes, it may be an appeal or it may be a request for a pension.

Mr. MELVILLE: If it is a first application for pension, we endeavour to deal with it as expeditiously as possible. Every Monday morning the first report that is on my desk shows the number of files with my medical advisers at head office. If I do not think the number is very satisfactory, I get cracking on that, I assure you. In so far as claims coming from the medical advisers are concerned, my colleagues never leave the board room until the entire board room is cleared. Every day the board room is cleared before they leave. That

has been laid down and has been in effect for years and years. At the top we set the level for all the rest of the staff. There are about 280 to 300 claims of various kinds for entitlement, assessment of the degree of disability and the rate of pension to be paid, or the awards to dependent parents which are dealt with each day.

Mr. LOCKYER: What time should elapse before a veteran can expect to hear a decision from the board?

Mr. MELVILLE: It should be a matter of a few weeks for his initial decision or a renewal decision. With regard to an appeal board, it may be that before his case was certified as ready for hearing by an appeal board and reached the chief pensions advocate and from him to the commission, the appeal board had just held sittings in that centre. In that case he must wait and that sometimes, I will admit, brings about delays. He must wait until the next hearing is held. As of the 30th of June we have practically cleared the slate.

Mr. LOCKYER: I have some people who have claimed that they have waited several months.

Mr. MELVILLE: I would be glad to have them. I will examine each one and report to you personally on each claim. Let me have the name and the regimental particulars and I will do that personally.

Mr. MCINTOSH: I have several questions: Shall I ask them all at once?

The CHAIRMAN: You may proceed, Mr. McIntosh.

Mr. MCINTOSH: My first question is a double-barrelled one and a supplementary to Mr. Macdonald's question. In regard to this pre-enlistment origin, Mr. Melville said without a shadow of a doubt it was pre-enlistment origin except in those extreme cases of an artificial leg and eye. How can you be sure without a shadow of a doubt, in view of the fact they were medical cases when they were tested?

Mr. MELVILLE: One example I can think about might be a kidney involving a surgical operation. The doctors find that his condition has been one that has been in existence from birth. It is not an opinion reached by the commission. It is a decision reached in the light of medical opinion. That would never be found on enlistment examination. We are all blessed with duplicate organs and if one fails the other carries on and takes care of the needs. However, something happens and surgery is indicated and carried out. The condition becomes apparent. There is no examination on enlistment that would have detected that condition. All you gentlemen are members of the forces and you are all aware of the examination which took place at the time you enlisted for service. I do not say that type of case applies to all.

Mr. MCINTOSH: Our problem is that these applicants come to us and say that you say without a shadow of a doubt it was pre-enlistment origin. You will take the word of your doctors on the board for that. But when a civilian doctor says the same thing to the applicant "without a shadow of a doubt your complaint was due to service in the armed forces", you will not take the civilian doctor's word for it?

Mr. MELVILLE: I would not say we do not take the civilian doctor's word.

Mr. MCINTOSH: You very seldom do.

Mr. MELVILLE: I could not even accept that, because I am in the board room every day and see countless numbers of applications and medical certificates from private practitioners.

Mr. MCINTOSH: But it does happen?

Mr. MELVILLE: Yes, it may.

Mr. McINTOSH: Further to that question, you said more consideration is given to those who actually served in the theatre of war. If they were hospitalized and discharged n.a.d., no apparent disability, prior to proceeding to a theatre of war, is that case given the same consideration as a case that actually happened in the theatre of war?

Mr. MELVILLE: Yes, as long as the applicant has served in a theatre of actual war.

Mr. McINTOSH: It does not matter when the disability was incurred?

Mr. MELVILLE: It does not matter at what stage in his service the disability was incurred, provided it was not recorded at the time of his enlistment or was obvious at that time.

Mr. McINTOSH: My other two questions have to do with the estimates on which we have not dealt. I would like to ask the questions because we may have to get the information for our next meeting. In regard to the 1958-59 estimates compared with the 1957-58 estimates, we had the same question brought up in the national defence committee. To my mind you cannot compare estimates with estimates. It does not give you anything. I would like to compare the estimates with the expenditures. Have you any idea how much of the 1957-58 estimates were actually spent?

Mr. MELVILLE: Yes.

Mr. McINTOSH: Could we have those items for our next meeting?

Mr. MELVILLE: Yes. You can have them now if you like.

Mr. McINTOSH: I think each one of the members of the committee would like a copy of it, the appropriation for the year and the actual expenditures for 1957-58.

Mr. MELVILLE: Yes, that is available right now.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): That is the administrative vote and the pension vote?

Mr. McINTOSH: Yes. If you had them in mimeographed form, we could all have a copy.

Mr. MACE: I can have some run off.

Mr. McINTOSH: Could we have that?

Mr. MACE: Yes.

Mr. MELVILLE: I would be glad to have that information supplied to you and you could distribute it to each member of the committee in advance of the next meeting. The proceedings may not be printed before the next meeting.

The CHAIRMAN: No, they will not be printed before Thursday.

Mr. McINTOSH: In regard to this summary of estimates, I notice you have reduced your personnel, decreased your salaries and charges but increased your civilian allowance by \$10,000. Could I have the answer to that at our next meeting?

Mr. MELVILLE: Yes, I will be glad to get that.

Mr. McINTOSH: It is for the whole Department of Veterans Affairs. I would like to ask the deputy minister to have that.

Mr. MELVILLE: That is a pretty wide field.

The CHAIRMAN: Did you not get that question?

Mr. P. E. REYNOLDS (*Chief Pensions Advocate, Department of Veterans Affairs*): No.

Mr. McINTOSH: In your summary here, and I am talking about the civilian personnel, you have decreased the salaries but you have increased the civilian allowances by \$10,000.

Mr. HERRIDGE: We can discuss that when we return to administration.

Mr. BROOME: That is not part of this, Mr. Chairman.

Mr. MCINTOSH: I would like to have it, Mr. Chairman.

The CHAIRMAN: We will let the question stand and we can have the answer brought down at a further sitting. Are there any other questions?

Mr. MCINTOSH: No.

Mr. WEBSTER: After this morning's session I would like to put my bid in too, Mr. Melville. Four years after I was discharged with no application on my part whatsoever, I was called down to the Department of Veterans Affairs in Montreal and interviewed by the advocate. Six weeks later I got a pension. I would like to thank him.

Mr. MELVILLE: If I may interject here, a member of the forces discharged in Saskatchewan had a disability; we called him in and had him examined and awarded a pension. We got a blast because he never applied for that pension and did not want one. He had a disability and got what he was entitled to.

The CHAIRMAN: I understand there is a carryover question from a previous meeting. I think Mr. Broome asked this question and it was to do with the appeal boards within the commission.

Mr. BROOME: Yes. I would like to amplify it somewhat. It seems to me there must have been some reason for making the appeal board part of the commission, as it would seem to be more logical to have a separate appeal board because you could have a feeling that the people who turned you down in the first place are the people who turned you down the second time. You have explained most of it.

Mr. MELVILLE: I have the information. Parliament in its wisdom provided that.

Mr. BROOME: Parliament is not always very wise.

Mr. MELVILLE: We go back to 1916 when by order in council the board of pension commissioners was formed. It consisted of a chairman and two members. It is of interest to note the order specifically provided there should be no appeals from decisions of the commission, but dissatisfied applicants could present their cases either personally or by counsel before the full commission sitting for the purpose of hearing the complaints of those who may have been dissatisfied with decisions given in the ordinary course of administration. So that is the onset of the whole thing.

In 1919 the Pension Act was enacted and that made provision for a statutory body to be known as the board of pension commissioners. It was to consist of a chairman and two members. In that, provision was made for two or more commissioners to sit for the purpose of hearing the appeals of dissatisfied applicants or pensioners. This provision was repealed when the federal appeal board was created in 1923. Under recommendation of a special parliamentary committee in 1922 it authorized the appointment of a medical board of appeal to consist of three medical men, with headquarters at Ottawa, to function as an independent body for the purpose of hearing limited appeals. It operated for a brief period and ceased to function in 1923 when the federal appeal board was created and consisted of a chairman and not less than four or more than six members. It carried on until 1930 when the federal appeal board was abolished and a pension tribunal was created. The tribunal consisted of a chairman and eight members. In addition, the supreme final appellate body was formed with the pension appeal court under Mr. Justice Hyndman. It consisted of a chairman and two members. In 1931 the tribunal was increased to twelve members with a minimum of nine, one of whom was to be chairman.

We come along then to 1933 when the board of pension commissioners was abolished, the pension tribunal was abolished and the Canadian pension commission was created. When it was created, the statute provided for a chairman and not less than seven members or more than eleven. Provision was also made for the hearing of dissatisfied applicants by quorums of the commission holding public hearings. The pension appeal court continued as the final court of appeal.

In 1936 provision was made for the appointment of ad hoc commissioners if and as required, not to exceed five. As I mentioned earlier, that is when the new procedure was brought into effect, the first hearing, second hearing and appeal. The quorums were continued at that time and the pension appeal court continued as a final court of appeal until 1939 and in that year the quorums were abolished. The pension appeal court was abolished and this power of final decision was transferred to appeal boards of the commission to consist of three members of the commission holding sittings at convenient places throughout Canada. May I say it does appear, having had some very close associations over many years, and not speaking in my own capacity as chairman of the commission, that the present situation with regard to preparation and hearing of appeals has met with very, very general acceptance by veterans and their organizations.

Mr. WINKLER: Mr. Chairman, I am thinking of this question of people who are coming into the category of medical entitlement. In this regard, I would like to ask Mr. Melville if the commission, on the aggravation of the condition for which the veteran concerned has entitlement, when he makes application for pension, if he is called for examination by the commission or is it the policy that the commission would first of all have this veteran examined by his own physician and examine that report before calling that veteran in for examination? If so, is the veteran concerned expected to pay his own examination fee by his own personal physician, or does the department make it quite clear to that veteran that he does it at their expense?

Mr. MELVILLE: If the veteran makes application for pension which he normally would do through the district office, it would come to the commission and if we find on examination of his documents that there is every possibility that his claim has relationship to something recorded on his documents, then the commission will call him in for examination. If necessary, the commission will arrange for his admission to hospital under what is known as section 27 of treatment regulations. If he is referred to one of our departmental hospitals for investigation and diagnosis as a section 27 case, then during that period he is in hospital, which is usually anywhere from one or two days up to ten or fourteen days at the most, he is in receipt of treatment allowance because he is ordered in by the commission for that purpose. Now that is done when we have every reason to believe that his claim is a fair claim and we want to establish definite diagnosis, because probably he is complaining of a condition but we have no diagnosis. We have no medical label and unless we have a definite diagnosis we cannot rule. So we have him admitted to hospital for investigation and diagnosis.

When a man claims for a condition and says, "I have a pain", or a stomach ache or whatever it may be, and there is nothing on his documentation to support that claim, he is asked to submit a certificate from his own medical officer who has been treating him. If, as a result of that certificate, the commission concedes entitlement for the condition, he is reimbursed for the expense of that medical certificate. If he is not successful then there is no payment made because you have any number of claims for conditions which have no relation whatsoever to service and for which payment cannot be expected.

Mr. WINKLER: I consider your explanation of that very fair, but in practice I find it somewhat different. I find in many instances in the small territory that I represent, that they have not granted the privilege to appear even in cases where they have prior to this particular instance been pensioners. I think it might be wise if you would agree to go into the matter and have some of the district offices informed of the attitude you have mentioned because I consider your explanation as being good. However, I do not find that is practised by all the officers.

Mr. MELVILLE: I am in touch with all my officers and have discussed that situation with them on many occasions. There may be an occasion when it is not observed, but the instructions are very, very clear and I would be very happy to write and draw it to their attention again.

Mr. WINKLER: Thank you.

Mr. MELVILLE: You mentioned a pensioner; he may have entitlement for one condition and wishes to claim for another one. Unless there is some relationship there we cannot do much about it.

Mr. WINKLER: No, the case in point was in direct relationship to the pensionable disability in the first instance.

Mr. HERRIDGE: Would Mr. Melville inform the committee of the policy of the commission with respect to how decisions are made, as to the points at which appeal board hearings are held having regard to the convenience of the veteran, improving the general understanding of the veterans and the work of the commission; also the general understanding of the public with respect to what I consider a very important administrative body?

Mr. MELVILLE: That is a good question. What does happen is that every few weeks the official responsible presents to the deputy chairman a list showing all the claims which are listed as ready for hearing. Not only does the list contain that information, it also contains the names of the commissioners who are eligible, those who have never adjudicated upon that claim before, so we can watch what we are doing in setting up the appeal board. It is impossible to hold hearings in every centre of Canada. The appeal board consists of three commissioners and a court reporter and we are endeavouring to arrange a docket. Let us take British Columbia—and it will probably interest you a great deal—we will have the main hearings in Vancouver and Victoria and we will have hearings in the interior at Nelson, Penticton and Trail. However, we must have sufficient hearings to warrant sending in an appeal board. If there are not sufficient claims to warrant sending in an appeal board, then the man is called into the nearest centre. I find as a rule he is happy to come in to one of these centres and have his expenses paid. He is called in and reimbursed, as are his witnesses who may be called in. We have hearings in Halifax, St. John's Newfoundland, Saint John New Brunswick, Quebec City, Montreal, Ottawa, Kingston, Toronto, London, Hamilton, Guelph, Windsor, and so on.

Mr. HERRIDGE: Are the hearings held at certain stated periods or according to the volume of business requiring attention?

Mr. MELVILLE: Definitely according to the volume of business. Our job is to liquidate and reduce the interval between the time claims are listed as ready and actually heard.

Mr. BEECH: Mr. Chairman, I am concerned about the high number of rejections in the first hearing. The second hearing seems to be about half the number. I am wondering if it would not be better for the commission in regard to the first application to advise them to see one of the pension advocates in order that they may fix their applications in the proper way. It would eliminate a lot of the secondary applications. The difference in these two figures would indicate there are a lot of people who have been brownd off, and once the

pension commission turn them down they do not bother coming back again. I wonder if it would help if we had that evidence submitted by a pension advocate?

Mr. MELVILLE: I suppose that the average veteran does not know the facilities that exist throughout Canada to assist him in the preparation and advancing of a claim to pension. The department has excellent facilities in the veterans bureau. These services are available without any charge whatsoever to the veteran, and a good many of those who come in initially to the commission at one of the district offices are told that the best thing they can do now is to go and see their district pensions advocate. Our man will say: "What you are putting before me is very sketchy. So you go and see him and he will tell you what he thinks is necessary to assist you to get your claim ahead." That is carried out to a very very great extent because there is a great deal of cooperation and understanding between the veterans bureau and the commission.

We are not at a difference or opposed by any means. We have only one purpose, and that is to serve the veteran.

Mr. MACDONALD (*Kings*): I would like to ask Mr. Melville a number of questions about the composition of the board. I do not think there is anything in the act to determine how many doctors or lawyers there should be.

Mr. MELVILLE: No, none.

Mr. MACDONALD (*Kings*): It seems to me that the board is top heavy with lawyers and does not have enough medical men—with all due respect to my friends in the legal profession. Can you tell us who makes the decision as to the composition of the personnel, and the reasons?

Mr. MELVILLE: Mr. Macdonald picked the wrong time for his observation, because we have five doctors and three lawyers at the present time.

I endeavour to see that an appeal board consists if possible of a doctor, a lawyer, and a layman. That makes a very happy group to deal with the claims.

Then with regard to the appointments, they are made by the Prime Minister, while the composition of the board is determined by the deputy chairman and by myself, that is, by the two of us alone because we have control of the very point brought up before, namely eligibility to sit.

As to which commissioners are eligible—that involves practice within the commission in dealing with claims. For example there are only certain commissioners who sit in the province of Quebec, and so on.

Mr. MACDONALD (*Kings*): Does the same apply to the appeal boards?

Mr. MELVILLE: That is the appeal board that I am talking about.

Mr. BROOME: Might we have prepared for our next meeting a statement along the following lines—showing for the past five year period, how many hearings have been held by the various appeal boards, the composition of those appeal boards, where they sat, and the results? How many applications were approved and how many were turned down?

Mr. MELVILLE: I can get it for you from the annual reports. It simply means taking the annual reports for the last five years. I have one here right now. They give the result each year.

Mr. BROOME: Does it give the names of the commissioners who sat?

Mr. MELVILLE: Oh no.

Mr. BROOME: If there are three commissioners, would the result of those three be given? In practice I would assume that you divided the work a great deal such as having certain men act as appeal boards; otherwise you would have—in Vancouver, let us say, if there were 100 cases to be heard,—you would have to be changing your appeal board, because among those 100 cases

there would be some commissioners who would have sat on the first or second hearings. Therefore in fact I take it that certain of the commissioners do most of the work on the appeal boards.

Mr. MELVILLE: No, that is not so. The load is equally distributed among the 13 commissioners, outside of the deputy chairman and myself, because we do not sit. But the load is equally distributed among the others.

In order to avoid the possibility you mentioned, when decisions are rendered by the commission—and that requires two commissioners—they are zoned so that certain commissioners, and they alone,—it may be five or six—will deal with that particular zone, and that is all.

Mr. BROOME: Might we be told, let us say, with respect to commissioners, A, B, C and so on, where they sat, the number of cases they heard, how many applications they granted, and how many they turned down?

Mr. MELVILLE: I do not know; I suppose it can be done. That is an analysis.

Mr. BROOME: Or over the last two or three years; that is easier.

Mr. HERRIDGE: We must not forget that our policy is to eliminate waste and extravagance.

Mr. BROOME: I might as well disclose my hand. There is a question of tough boards and easy boards. I would like to see whether those figures show that.

Mr. MELVILLE: Well, I do not think—

Mr. BROOME: Not easy boards.

Mr. MELVILLE: There is a question of geography. I try and keep my commissioners divided up. There are no preferences. I do not consider there are any difficult boards. I consider every appeal board is a fair adjudicating body which is seized with its responsibility and decides it, bearing in mind particularly that section 70 of the act says that benefit of the doubt shall be resolved.

Mr. BROOME: It seems to be the general impression that some boards are a little more prone to give the benefit of the doubt than others.

Mr. MELVILLE: The percentage of claims granted across Canada, taking it provincial-wise, is fairly constant.

Mr. BROOME: Mr. Melville, do you consider that your doctors are competent to assess and weigh evidence in the way that a lawyer is trained?

Mr. MELVILLE: Well, you are dealing with questions of disability and death, and in order to do so you must be guided by medical evidence. A layman is one member of the board and a lawyer is another. If a medical witness or some witness is stressing a certain point and if it is a medical question the other commissioners will ask their colleague who has trained and graduated to give the benefit of his advice in that regard. Actually, I think it is a very happy combination.

Mr. BROOME: I am not a lawyer, so I am not carrying the axe for the legal profession, but it seems to me that our courts rule on a tremendous variety of complicated problems—which is as complicated as having two doctors giving an opinion and to assess each one as right or not right—they are doing it all the time. It seems to me the composition of this board of the pension commission should be in the main lawyers, because the main job they have is to assess evidence. I do not think a doctor is trained to assess evidence; you will get three different opinions.

Mr. MELVILLE: I can refer back to appearing before committees of parliament over the past fifteen years. They take a contrary view to that. If decisions were based strictly on law, then I can assure you without any shadow of a doubt many claims would be rejected.

Mr. HERRIDGE: That has been proven before previous committees.

Mr. MELVILLE: That led to the action taken. For instance, if medicine was too predominant, it would provide the same situation. I consider the composition of the boards today overcomes that difficulty.

Mr. BROOME: Of your three ad hoc commissioners at the present time, how many are medical and how many are legal?

Mr. MELVILLE: The three ad hoc are C. B. Topp; he was chief pensions advocate from 1930 until he was appointed a commissioner two years ago. The second one is N. L. Pickersgill, who is a naval representative and who has been an ad hoc commissioner since 1945. And the third one is Mr. D. G. Decker who was appointed about two months ago from the province of Newfoundland.

Mr. MACDONALD (*Kings*): Are they lawyers or doctors?

Mr. MELVILLE: Neither one. Mr. Topp and Mr. Pickersgill are neither. Mr. Decker is an officer who has had very wide experience in social welfare work in British Columbia and also in Newfoundland.

The CHAIRMAN: My attention has been drawn to the fact that it is now past 12.30 and we have one or two outstanding questioners including Mr. Weichel. Do you want to proceed now?

Mr. WEICHEL: I was wondering. Suppose a 60 per cent pensioner passes away. Does his widow receive \$115 a month? Am I right? And under 60 per cent, is there any compensation?

Mr. MELVILLE: The situation is this: when a disability pensioner dies, his dependants are pensionable, if his death is attributable to service, irrespective of the rate at which the pension was in effect. It could be five per cent; it might be ten per cent, fifteen per cent, twenty per cent, or anything.

If death is attributable to service, the dependants are pensionable. But there is also another provision in the Pension Act whereby if pension is in payment of 50 per cent or more at the date of death, the widow and children are pensionable irrespective of the cause of death.

What happens is this: if the disability pensioner should die today, we receive notification. If a pension of 50 per cent or more was in payment she would receive his award of pension for her husband, herself, and the children up to the end of the month of July, and her widow's pension would start from the day following on his death. The cheque for the first month's pension is sent out by the commission on the day that notification of the death is received by us.

The file is taken down by hand to the treasury officer and the cheque goes forward because we realize there is no greater time of need than when the head of the home passes away. Therefore that cheque goes out in advance at once.

Mr. WEICHEL: I received a letter the other day from a lady who said: "I know you have lost your leg, I have lost mine as well. Where may I get a new one?"

She is 70 years old. She is a civilian. Her finances are limited. Does the Ontario government take care of such a situation, or where should I write in order to assist her.

Mr. MELVILLE: I do not know. I think it is a provincial problem.

Mr. WEICHEL: I had a letter about it sent to your department but I have not received an answer as yet.

Mr. MELVILLE: Prosthetic services, a branch of the Department of Veterans Affairs, will advise you as to the nearest source to which she should make application.

The CHAIRMAN: May we let all the questions stand for a moment. I do not want to interrupt Mr. Melville's testimony, but I must apologize for my being late this morning. T.C.A. is responsible. I shall lodge my complaint with the committee on transport.

In regard to further sittings, I presume that we shall meet on Thursday at 10.00 because we have staked a claim on Thursday mornings. If any other committee interferes it is trespassing on our territory.

The meeting on Thursday morning will be held in room 268, our former room.

I want to thank Mr. Gage Montgomery for carrying on in my absence. I trust you were suitably welcomed and introduced this morning, Mr. Melville.

Mr. MELVILLE: Oh, I think so.

The CHAIRMAN: We are glad to have you with us.

The committee adjourned.

HOUSE OF COMMONS

First Session—Twenty-fourth Parliament

1958

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

Including Index of Items Considered

Estimates 1958-59 of the Department of Veterans Affairs

Appendix "A": List of Pension Advocates

THURSDAY, JULY 10, 1958

WITNESSES:

Mr. J. L. Melville, Chairman, Canadian Pension Commission;
Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs; Mr. F. T. Mace,
Assistant Deputy-Minister; Mr. F. J. G. Garneau, Chairman, War Veterans
Allowance Board; Mr. T. J. Rutherford, Director, Veterans Land Ad-
ministration; Dr. John Crawford, Director-General, Treatment Services;
Mr. P. E. Reynolds, Chief Pension Advocate.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.

and Messrs.

Anderson	Herridge	Peters
Batten	Houck	Regnier
Beech	Jung	Roberge
Benidickson	Kennedy	Robinson
Bigg	Lennard	Rogers
Broome	Lockyer	Speakman
Cardin	Macdonald (<i>Kings</i>)	Stearns
Carter	MacEwan	Stewart
Clancy	MacRae	Thomas
Denis	McIntosh	Webster
Fane	McWilliam	Weichel
Forgie	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

House of Commons, Room 268,

THURSDAY, July 10, 1958.

The Standing Committee on Veterans Affairs met at 10:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Anderson, Batten, Beech, Broome, Cardin, Carter, Dinsdale, Forgie, Garland, Herridge, Lennard, Lockyer, Macdonald (*Kings*), MacEwan, MacRae, McIntosh, Ormiston, Parizeau, Peters, Regnier, Roberge, Robinson, Rogers, Speakman, Stearns, Stewart, Thomas, Weichel, Winkler.

In attendance: Mr. J. L. Melville, Chairman, Canadian Pension Commission, and Mr. L. A. Mutch, Vice-chairman. Also Mr. Lucien Lalonde, Deputy Minister of the Department of Veterans Affairs, Mr. F. T. Mace, Assistant Deputy Minister; Mr. P. E. Reynolds, Chief Pensions Advocate; Mr. F. L. Barrow, Departmental Secretary; Mr. J. G. Bowland, Chief, Research and Statistics; Mr. C. F. Black, Superintendant of Veterans Insurance; Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board; Dr. John N. Crawford, Director-General, Treatment Services.

The Chairman presented the Report from the Subcommittee on Agenda and Procedure which, on motion of Mr. Herridge, was unanimously adopted. (*See Report in Minutes of Evidence*).

The Committee resumed consideration of item 489 of the Main Estimates with Mr. J. L. Melville under questioning.

After prolonged consideration items 489, 490 and 491 were approved.

Mr. Melville was thanked by the Committee for his enlightening presentation.

Mr. Mace filed a statement of Appropriations and Expenditures for Fiscal year 1957-58, a copy of which was supplied to each Member.

Messrs. Lalonde and Mace were questioned thereon.

Mssrs. Rutherford, Lalonde, Mace, Garneau and Dr. Crawford answered questions arising from points raised at previous sittings.

At 12:20 o'clock p.m. the Committee took recess.

AFTERNOON SITTING

Room 118

The Committee resumed at 3:30 o'clock p.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Batten, Beech, Broome, Carter, Denis, Dinsdale, Forgie, Herridge, Lockyer, Macdonald (*Kings*), MacRae, McIntosh, Ormiston, Parizeau, Regnier, Roberge, Robinson, Rogers, Speakman, Stearns, Thomas, Webster, Weichel, Winkler.

In attendance: All officials shown as in attendance at the morning sitting.

Item 480 was called. Mr. P. E. Reynolds was questioned thereon. The witness filed a statement showing the names of Veterans' Bureau Pensions Advocates throughout the country, which was ordered to be printed as Appendix "A" to today's proceedings. During Mr. Reynolds examination Messrs. Lalonde, Melville and Garneau were questioned briefly on specific points.

After lengthy consideration Item 480 was approved.

On motion of Mr. Broome, seconded by Mr. Beech, it was ordered that the Estimates be referred back to the House as approved.

The Chairman thanked the officials present for their attendance and their contribution to the work of the Committee.

At 4:45 o'clock p.m. the Committee adjourned to meet again at 10:00 o'clock a.m. Thursday, July 17, 1958.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

THURSDAY, July 10, 1958.

10 a.m.

The CHAIRMAN: Gentlemen, we have a quorum and the first item this morning is a report from the sub-committee on agenda and procedure.

It was agreed and it is so recommended that the committee endeavour to complete the study of the estimates of the Department of Veterans Affairs on Thursday, July 10, and sit in the afternoon if necessary.

The committee to sit again on the 17th July to consider the legislation which will be referred to it, that is, the two bills that were referred to it in the house yesterday. In that connection it was agreed and it is so recommended that the Canadian Legion should be heard and whatever other veterans organizations which may ask to make representations on the said legislation.

It was further agreed and so recommended that item No. 473 of the main estimates be left open to the end of the proceedings as they relate to estimates, so that any question arising may be disposed of.

Is there any discussion on this report?

Mr. MACRAE: I take it, Mr. Chairman, if the legion appears it is restricted to the question of the insurance acts. We cannot discuss anything else.

The CHAIRMAN: I think that is their only desire at this time, Mr. MacRae.

Mr. MACRAE: That was my understanding.

The CHAIRMAN: I was talking to Mr. Anderson the other night and I understand that they are going to make their general submission to the cabinet in the fall. It has become customary for them to appear before the cabinet on November 11.

Mr. MACRAE: They do not wish to make any submission on this commitment?

The CHAIRMAN: No, that is my understanding.

Is there any further discussion?

Mr. HERRIDGE: I move the wisdom of the steering committee be affirmed.

Mr. MACRAE: You must have been on that committee at one time.

The CHAIRMAN: Before I put that motion I would like to put just one comment, gentlemen. In the last paragraph of the report of the members of the steering committee you will notice I have used the following words:

It was further agreed and so recommended that item No. 473 of the main estimates be left open to the end of the proceedings as they relate to estimates so that any question arising may be disposed of.

Now, the reason for that phrase "as they relate to estimates" is, because we are going to find it necessary to report on estimates back to the house very shortly.

The business is beginning to move fairly rapidly and I understand there may be a request for a change in the hours of sittings and we will be asked to report on estimates just as quickly as possible.

Now, does that find favour with the members of the steering committee and the general committee?

Mr. FORGIE: Yes, definitely.

Mr. HERRIDGE: That meets with the legal technicalities and leaves an escape hatch.

The CHAIRMAN: I understand that is so. We will definitely have to clear them up next Thursday. Is there any further discussion?

All in favour?

Agreed.

Now, we have some outstanding questions to be answered and I will call upon Mr. Mace. We will proceed to the consideration of the items under the Canadian Pension Commission and in view of the fact that I did not have the opportunity of officially welcoming Brigadier Melville at the opening of the session last Monday, I take the opportunity at this time.

Brigadier Melville has had wide experience as chairman of the Canadian Pension Commission and in connection with the Department of Veterans Affairs and I understand that one of these days he will be entering into honourable retirement and I take the opportunity at this time of expressing appreciation on behalf of this committee, on behalf of the house and the veterans across Canada for his fine years of faithful service.

Mr. FORGIE: Just before we get on with it, I would like to say something with reference to Brigadier Melville. I have known Brigadier Melville for a good many years since England in World War II and I have had a lot to do with the department of pensions in the last twenty years or so, and I can say without fear of contradiction that there is no department any better or more ably administered than that of the Canadian Pensions Commission and at no time did one not receive the most careful consideration and the most expeditious consideration.

That was one of the outstanding qualities of Brigadier Melville in that he did not "old soldier" on the job, and you got an answer right back as soon as you asked for it. I think it is an outstanding loss to the country to have Brigadier Melville retire.

I am sorry to see it happen.

Mr. LENNARD: I will second that.

Mr. McINTOSH: As a new member I wonder if we could not prevail upon Brigadier Melville to head some of the other departments. He will have to head up half a dozen other departments.

The CHAIRMAN: He might be ex-officio adviser to other departments.

Brigadier J. L. MELVILLE (*Chairman, Canadian Pensions Commission*): Mr Chairman and gentlemen, I thank you for your kind remarks. Old anno domin is creeping up on me these days and I certainly will not be retired by statute I am resigning.

At our previous meeting Mr. Broome asked a question or two with regard to appeal boards of the commission. Behind that question—and he was quite frank about it—was the statement that some appeal boards were possibly more favourable than others and he wished particulars over some of these years.

Through the efforts of my staff who willingly and gladly did some night work, I have had a statement prepared showing a review of all the appeal board claims which were dealt with in the fiscal year 1956 and 1957. The meant reviewing practically 1500 decisions as a result of which I will table statement showing by provinces the total number of claims heard by these appeal boards, the number which were ruled upon favourably, and those

unfavourably. In addition to that I have an analysis here on page 2 of each province or each centre in which these appeal board hearings were heard and that analysis gives the names of the commissioners who heard them.

For example, in British Columbia there are six commissioners who are eligible to hear appeal board claims—Messrs. Forman, Pickersgill, August, Coke, Brown and Topp and against each of these appeal boards will be found the commissioners and you will observe the result of the claims that were heard by them.

One added observation: three members of the commission constitute an appeal board. It is not necessary that there be unanimous agreement among the three members. A majority total will govern so that if two members of the appeal board reach a decision then that is the decision of the appeal board and it is so recorded on the file.

With your permission, Mr. Chairman, I will table this statement and trust it gives the information Mr. Broome requested. It is for the fiscal year, 1956-57.

CANADIAN PENSION COMMISSION
APPEAL BOARD CASES HEARD—PROVINCIAL TOTALS
FISCAL YEAR APRIL 1, 1956—MARCH 31, 1957

	Total	Favorable	Unfavorable
Newfoundland	17	6	11
Nova Scotia	63	25	38
Prince Edward Island	5	2	3
New Brunswick	76	35	41
Quebec	340	144	196
Ontario	625	262	363
Manitoba	80	31	49
Saskatchewan	59	21	38
Alberta	52	24	28
British Columbia	174	86	88
Totals	1491	636	855

CANADIAN PENSION COMMISSION

CASES HEARD BY APPEAL BOARDS DURING FISCAL YEAR—APRIL 1ST, 1956 TO MARCH 31ST, 1957

District	Number Ses- sions	Commissioners	Cases Heard	Favor- able	Not Favor- able
NEWFOUNDLAND					
St. John's.....	1	{ Pickersgill .. Bates..... August..... }	17	6	11
NOVA SCOTIA					
Halifax.....	3	{ Langelier .. Bates Pickersgill... August Coke .. Gordon (Ret)..... }	63	25	38
PRINCE EDWARD IS.					
Charlottetown.....	1	{ Pickersgill..... Bates..... Coke..... }	5	2	3
NEW BRUNSWICK					
Saint John.....	5	{ Mutch .. August Pickersgill..... Coke..... Bates..... Gordon (Ret)... Topp..... }	76	35	41
QUEBEC					
Montreal.....	10	{ Langelier... Mooney..... Painchaud... Coke..... Blier..... }	209	88	121
Sherbrooke.....	1	{ Langelier... Painchaud..... Blier..... }	3	2	1
Gaspe and Lower St. Lawrence.....	4	{ Langelier..... Blier..... Mooney..... }	58	18	40
Quebec.....	5	{ Langelier... Mooney..... Painchaud... Laird..... Blier..... }	70	36	34
ONTARIO					
Ottawa and Out-of- Canada.....	6	{ Langelier... Bates..... Mooney..... Forman..... August..... Blier..... Pickersgill... Coke..... Topp..... Painchaud... Brown..... }	50	19	31
Kingston.....	1	{ Bates..... Blier..... Mooney..... }	18	5	13
North Bay.....	3	{ Forman .. Brown Pickersgill... Coke..... Mooney..... August .. Topp..... }	55	21	34
Toronto.....	11	{ Forman Coke..... Langelier..... Pickersgill... Brown..... Topp..... Bates .. Mooney .. Laird .. August .. Blier .. Gordon (Ret).. }	221	93	128
Hamilton.....	4	{ Forman Coke .. Painchaud... Blier .. Gordon (Ret).. Bates .. Topp .. }	83	30	53
London.....	5	{ Forman Bates .. Brown .. Pickersgill... August .. Topp .. Painchaud... Coke .. Gordon (Ret).. }	96	51	45
Guelph.....	1	{ Painchaud... Coke .. Topp .. }	19	11	8
Windsor.....	4	{ Forman Bates .. Mooney .. Pickersgill... August .. Blier .. Painchaud... Coke .. Gordon (Ret).. }	83	32	51

CANADIAN PENSION COMMISSION

CASES HEARD BY APPEAL BOARDS DURING FISCAL YEAR—APRIL 1ST, 1956 TO MARCH 31ST, 1957

District	Number Sessions	Commissioners	Cases Heard	Favorable	Not Favorable
MANITOBA					
Fort William.....	2	Forman....Brown.....Mooney.....	11	4	7
Winnipeg.....	3	{Forman....Coke.....Mooney..... August....Brown.....Topp.....}	69	27	42
SASKATCHEWAN					
Regina.....	2	Forman....Brown.....Mooney.....	26	12	14
Saskatoon.....	3	{Forman....Coke.....Mooney..... Pickersgill...Brown.....}	33	9	24
ALBERTA					
Calgary.....	2	{Forman....Coke.....Mooney..... Pickersgill...Brown.....}	31	13	18
Edmonton.....	2	{Forman....Brown.....Mooney..... Pickersgill...Coke.....}	21	11	10
BRITISH COLUMBIA					
Vancouver.....	6	{Forman....August.....Brown..... Pickersgill...Coke.....Topp.....}	111	51	60
Victoria.....	3	{Forman....August.....Brown..... Pickersgill...Coke.....Topp.....}	40	22	18
B.C. Interior.....	5	{Forman....August.....Brown..... Pickersgill...Coke.....Topp.....}	23	13	10
	93	Totals.....	1491	636	855

Compiled 9.7.58.

Mr. BROOME: I would like to thank Brigadier Melville and his staff for the work which I know went into the preparation of this statement. We do get these rumours. There is undoubtedly nothing in what we hear but we now have something like this with which we can knock out criticism.

I think it will be valuable for all members of the committee to have it.

Mr. MELVILLE: I was only too happy to supply it.

Mr. BROOME: I do want to thank the staff for having gone to what must have been a lot of trouble.

Mr. MELVILLE: May I ask Mr. Broome if that is the information that was requested?

Mr. BROOME: Yes, sir.

The CHAIRMAN: This statement will be printed in the report.

Mr. MELVILLE: That was all I undertook to prepare for the committee.

Mr. ROBINSON: Mr. Chairman, if the committee would allow me to back-rack a bit to page 52 of the minutes of the first meeting I asked for some information concerning the last post fund.

The CHAIRMAN: Mr. Robinson are you going to make an inquiry about the last post fund at this time?

Mr. ROBINSON: At this time I would like to make some remarks about the answer given to my question. I was unable to be here a week ago today

and there was an answer given to the question by Mr. Lalonde and I would like to clear the matter up in my mind.

The CHAIRMAN: I wonder should we not proceed to consider the Canadian Pension Commission and then clear up any questions after we have concluded with Brigadier Melville.

Would that meet with your favour?

Mr. ROBINSON: That is quite all right.

Mr. CARTER: While we are on the subject of the appeal boards, Brigadier Melville, a while ago there was criticism about the long delay in holding appeal boards in Newfoundland and I wonder if you would say something as to what steps have been taken to correct that.

Mr. MELVILLE: I am sure Mr. Carter could solve part of that problem for us. Just about two months ago my colleagues set off for Newfoundland to hold a hearing at St. John's, opening on a Monday morning. They were dumped down at Gander on Sunday evening. There was no possibility of getting into St. John's on the Monday and there was no possibility of getting there on the Tuesday. They had only a two day hearing listed. On the Wednesday they had to be in Halifax to open hearings there because the applicants and their witnesses had been called. So we got frantic messages asking where the appeal board was. They went ahead. They managed to get into Halifax, and conducted their hearing there and in Charlottetown. I arranged special hearings at the end of their session in Nova Scotia and New Brunswick, and they returned to St. John's. The hearings are up to date.

The situation will depend on having enough claims listed as ready for hearing. It is impossible to send an appeal board in to hear one or two claims. The advocate is very conscious of the situation there and we have the utmost cooperation with him.

Mr. CARTER: When was the previous appeal board held? Was it a few weeks ago?

Mr. MELVILLE: Yes.

Mr. CARTER: And the previous one?

Mr. MELVILLE: The previous one was last year.

Mr. CARTER: And the one before that was over a year—I understand probably nearly two years ago, was it?

Mr. MELVILLE: About 15 months, I think, Mr. Carter. The difficulty was getting in again. The appeal board was on the way, as I was myself, and we could not get in to your fair city.

Mr. CARTER: Your problem is to gather up a sufficient number of claims.

Mr. MELVILLE: Yes.

Mr. CARTER: And how many claims do you consider worth taking to justify a trip?

Mr. MELVILLE: Well, the docket for an appeal board for one day usually consists of five claims and when we have that number of claims the commission is certainly prepared to go ahead and hear them. We have no desire to have outstanding claims.

Mr. CARTER: Well, I suppose the fact that you have so few appeals is a compliment to the record of your commission.

Mr. MELVILLE: I think that is a fair statement. Our relationship in Newfoundland is very happy indeed.

Mr. HERRIDGE: Brigadier Melville, I am running into numbers of cases of chaps over 60, particularly of the first world war, who want to obtain war veterans allowances. It is particularly the cases that have short service

in England—less than 365 days. If a veteran has a five per cent pension he then becomes eligible for war veterans allowance. In some cases I find veterans—and I am always running into questions on this—who have a commuted five per cent pension, and have forgotten about it, and do not realize that under the present law pensions can be reestablished. Could you inform the committee, Brigadier Melville, what numbers there are in that category. Do you run into that very frequently? Is the five per cent commuted pension reviewed and the veteran notified.

Mr. MELVILLE: What you say is very true, Mr. Herridge. In the early twenties the pension act was amended and the pensioner whose award was less than 15 per cent was allowed to take a final payment. It did not work out. The maximum amount which he could receive was \$600. He got his \$600 or less, depending upon the degree of disability. He promptly spent it, and the next thing he wanted was his monthly award of pension. It was not very long before the Pension Act was amended once again and commutation of pension was washed out. In the opinion of the commission, and I am certain in the opinion of veteran organizations, they had no desire that it should be reinstated. The pensioner was advised and we have pursued every avenue open to us. But all the man has to do is to reapply to the commission and make application for examination. We examine him and we will reinstate his award in accordance with the extent of the disability which is in evidence at the time he reapplied. A large number have done that.

There are others also, Mr. Herridge. I dealt with a case yesterday of a man with a short term of service in England whose award was less than five per cent. For that he received a single payment of \$50 which was the compensation provided for in the act. We called him in because it is our desire to make sure he is fairly and properly compensated. We reexamined him. The extent of disability was again less than five per cent; but because of the increased scale of awards which became effective on July 1, 1957, he was entitled to another additional payment of \$50, and the cheque went out. These cases are reviewed and we are very sympathetic towards them.

THE CHAIRMAN: Are there any further questions, gentlemen?

Mr. CARTER: There is no intention to make any amendments to the Pension Act at this session? Is there any change contemplated in the foreseeable future?

Mr. MELVILLE: I cannot speak for parliament. I do not know what you gentlemen intend to do. But if there are any favourable amendments to the Pension Act, I can assure you without any doubt or hesitation whatsoever that the commission will immediately and speedily implement them.

Mr. THOMAS: I wonder if Brigadier Melville can comment on the attitude of the pension commission in this regard, in the case of a veteran who was taken into the armed services on a medical category of A-1 and later discharged with some disability. I have heard complaints to the effect that the pension commission would not accept his medical rating as shown on his admission into the armed services as valid evidence when considering his claim for pension.

Mr. MELVILLE: I take it, Mr. Thomas, that you are dealing with what is sometimes referred to as "fit for service, fit for pension." A man prior to being enlisted into the forces is examined. As you know, all members of the forces are examined on enlistment. You know how complete these examinations are. It happens in many, many cases that within a very short time after that man has been enlisted certain disabilities become evident. We have many complaints from him. He is on sick parade all the time, and he gives a history which is the very same as the ordinary civilian when he goes to his

doctor for medical attention and the first thing the doctor says is "What is wrong with you; how long have you had it; how does it affect you." The problem the doctor is faced with is how to arrive at a diagnosis. When a member of the forces takes ill during service, the same thing happens. He will go to his unit medical officer or may be sent down to a field ambulance. He will be examined; these questions are asked and they form part of the record. He gives on his own volition a history of what happened to him long before his enlistment and when, following his discharge, the commission considers a claim for that condition, we cannot ignore the evidence which is on record. Not the evidence placed on the record by the commission, but a history given by the applicant himself during his service. If after consideration the commission is of the opinion that the condition was pre-enlistment in origin and not aggravated during service, we so rule. But as I explained at the meeting of the committee on Monday, if that veteran served in a theatre of actual war and that disability was not recorded at the time he enlisted and was not obvious at that time, then he is pensioned to the entire extent of the disability. That is a very favourable provision of the Pension Act, which affects all those who had service in a theatre of actual war. Service in a theatre of actual war for World War II was service anywhere outside of Canada.

Mr. BEECH: Mr. Chairman, I think I understood the brigadier to say the other day there were cases of people appearing before appeal boards, and although there was no additional evidence because of the fact they made these personal appearances, they were able to convince the appeal board they were entitled to a pension. What happens in that case? They make the first application and it is rejected, and then later on it is granted by an appeal board. Does that pension date from the date of application?

Mr. MELVILLE: No, the Pension Act provides as a result of amendments made in 1936 that when a favourable decision is rendered by an appeal board, the award would be effective from the date of grant, which is the date of the hearing, or for a period of twelve months prior to that if they are of the opinion that a disability has existed for some time. In that case, the award goes back twelve months; and that applies in the great majority of cases.

There is a further provision in the Pension Act that an additional award of six months may be made in cases of hardship and distress beyond the twelve-month period. If that is proven, and the disability existed over that period, we may go back an additional six months. There is a further provision in subsection 3 of the same section that if there is a delay in the accumulation of evidence brought before the adjudicating body as a result of administration and other causes beyond the applicant's control, the commission may go back for a further period not exceeding eighteen months. That provision was made some years ago by an amendment to the statute, because following World War II it was learned, with many Canadians serving in all parts of the world, documents had not reached the director of war service records and it took time to get the evidence. In order to make provision for them, that amendment was made to the statute.

Mr. McINTOSH: At the last meeting I asked a question—and to keep the record straight I think I owe the committee an apology. I was referring to this summary of estimates, and I said it appeared here that civilian allowances were increased by \$10,000. I had my dates mixed up. I see now there was a decrease of \$10,000; so please ignore that question.

THE CHAIRMAN: Thank you sir.

Mr. ORMISTON: In this day of improved medical care and therapy, has it been the case that we have had to suspend pensions because a veteran reached a stage where he was no longer pensionable?

Mr. MELVILLE: Oh yes. The act provides that pension shall be awarded in accordance with the extent of that pensionable disability that is found on medical examination from time to time. If a man suffers from an amputation just above the knee, it is a fixed disability. It is a 70 per cent disability and it will not change. We assess it at 70 per cent pay pension and mark it A.P., apparently permanent and unless he has some other complaint, that goes on. Men for whom pensions are paid for systemic diseases—where the disability may increase or decrease—are called in for review in six months, one year or three years, whatever we consider may be a reasonable period of time. If his disability has increased his award is increased. If the disability has lessened—and that happens—we will say following surgery in some cases, and we have noted the proceedings of the discharge medical board, and find his disability has decreased, we will carry him on a reasonable allowance for a post-operative period following his discharge and then re-examine him and pay pension in accordance with the extent of the disability found at that time. We have endeavoured at all times to compensate to the full extent of the disability which exists at the time and if a pensioner has his award marked A.P., exacerbation—should he feel worse in his opinion—all he has to do is write to the senior pension medical examiner. That is why that table giving a list of the names of the senior pension medical examiners throughout Canada was presented.

Mr. WINKLER: Brigadier Melville, you mentioned in the case of a pensioner who might improve in his condition you would call him in from time to time for medical examination and, no doubt, adjust his pension accordingly if there is evidence of improvement. In the case of a pensioner whose pension has been eliminated because of his improvement and there is a recurrence of the circumstances, does that man have the opportunity of returning to the facilities of the department for examination?

Mr. MELVILLE: That is a very good question. Once entitlement has been conceded by the commission it remains. So that while a disability may be negligible from an assessment point of view, he still retains entitlement and entitlement means entitlement to treatment any time for such a pensionable condition and to reinstatement of pension should the disability reach an assessable degree.

Mr. WINKLER: I thought that was the case, but I find again in practice that it is not always so and I have found that people who wish to return—I realize that may be the fault of the individual in some instances—but I am aware of cases where the individual has been requested by the department to have examination made by his own physician. I have been given to understand through telephone conversation, I believe, with Mr. Parliament—I am not certain of that—that the expenditure incurred thusly could be recovered.

Again I find in most circumstances that is not the case and that it has been as a result of misunderstanding from the information relayed by the authorities. Although it may not be tremendously important, I think it is something that might be clarified when these people are being informed.

Mr. MELVILLE: You mentioned something along the same line at a previous session, Mr. Winkler.

Mr. WINKLER: I do not know if I inquired privately or not.

Mr. MELVILLE: I promised then to issue any necessary instructions, and I shall be glad to do so. Some men, as you will appreciate it constantly complain.

Mr. WINKLER: I have heard that too.

Mr. MELVILLE: We have brought them in and had other re-examination to determine if there were other disabilities or not, or if their complaints were the result of something else for which there was no entitlement.

The man may say: "My doctor tells me I have this trouble." Then we say: "Send us a certificate from your doctor giving the diagnosis of the condition as relating to your present complaint."

When the certificate is received we examine it and if we consider it is relevant to his pensionable condition, we will call him in. If he should be further examined, that is done, and if the claim is an approved one he is reinstated and his doctor is reimbursed for the cost of that examination.

Mr. WINKLER: Perhaps you could tell me about this: briefly, I had the case of an individual who could not even get entitlement from the department and who had spent something in excess of \$5,000 on his own case.

When the case was finally brought before the proper authorities, they granted this man entitlement to the extent of an 80 per cent pension, yet throughout his entire history since the second great war he could not get consideration.

This may have been his fault. I do not hesitate to add that. But I do feel that over that period of time—and he was dealing with the people in Toronto—the department might have been more lenient in the matter, and they might at least have found this pensionable condition within that period of time.

He is now receiving an 80 per cent pension.

Mr. MELVILLE: I would like to know the regimental particulars of the pensioner in question. I shall examine the file—not with a view to finding out whose fault it was—but to make sure that this individual is receiving the maximum benefits under the Pension Act.

Mr. WINKLER: Thank you, I shall do that.

Mr. WEICHEL: I would like to say thank you to Mr. Melville. I had a chap in Kitchener who was supposed to be in London at a certain hour but through the train connections he missed his appointment. They only paid him for one day instead of two.

I received a letter this morning stating that they will pay him for the extra day. He is a complainer, and I think he will tell everybody in Kitchener that he received that extra pay.

Mr. MELVILLE: Thank you.

Mr. PETERS: I would like to ask Mr. Melville what the situation is in the department in regard to the new hospital plan and how it relates to veterans.

I raised this question last year in the house in relationship to the fact that in my particular area there has been a medical plan for a number of years connected with the mining industry. It was a very expensive plan, highly paid and probably as comprehensive as any plan that I know of.

The tendency was, and this is something which the department has to do I suppose—pensions hinge a great deal on how often you go to the doctor and how often your report comes in. If a year goes by and there are no doctors called, and there are no expenses claimed then probably the pensioner does not need any further assistance.

We found with these people going through the medical plan, that the doctors were much more interested in getting paid by the plan than they were by the pension commission.

This may present a real problem when we have the hospital insurance plan and probably some other services that are going to be worked with it, such as additional P.S.I. or something of that nature.

It has been a real problem in the Timmins and Kirkland Lake areas where these medical plans have been so extensive.

This is a complaint coming out of the North Bay office all the time: that people are going in there and they are being told that they are much improved over the previous year because they have not had any treatment. Yet they may have received treatment every two weeks that the medical plan has been taking care of, rather than the commission.

I think Mr. Melville is familiar with this problem because it has been mentioned a number of times. I wonder if something is going to be done about it so far as the new hospital set-up is concerned because it seems to me you may be running into that problem all across the country.

Mr. MEVILLE: There is no better informed person than Dr. Crawford, director general of treatment services of the Department of Veterans Affairs, who is here. Possibly, when you come to consider the departmental estimates, you may ask him any questions.

In so far as pensioners are concerned, certainly when a man is called in for re-examination we ask him regarding his complaints and so on. Actually he signs a statement. He is asked to state in his own words what his complaints are. He lists them on a statement, and when this is done, the doctor passes it over to him and says: "This is your statement, have you anything to add?" "No." "Will you sign it?" And then he signs it.

We are not necessarily concerned with the amount of medical attention he received. We look into it, but most of our pensioners get medical attention through the facilities of the department. Of course they can get it at any time because they are entitled to treatment for their pensionable condition, when required.

Mr. PETERS: This becomes a problem, and personally I am quite familiar with it because it has happened a number of times.

It is a fact that if these calls are not recorded, then the department assumes there is no need for that treatment any longer.

Mr. MELVILLE: No. The veteran, after all, was a member of the forces, and if he says: "I have had this trouble for the past six months, and I have seen my doctor half a dozen times or more", we usually have a pension visitor call on that doctor and look at his records to see what they are, and we take the appropriate action.

Mr. MACEWAN: It is my understanding that in certain cases where medical services cannot be rendered for the patient here in Canada, that the pensioner is entitled to a certain amount for his medical and hospital bills outside the country, and that this is provided for by statute. Is that right or not?

Mr. MELVILLE: I think you are getting into the treatment branch and our question might be answered by the department later on.

Mr. HERRIDGE: I am bringing this case to your attention in order to get the information on the record.

I have a patient in my constituency who, without any action on his part, was awarded a small percentage of pension by the commission because of his eyesight. He was carried on pension for a year or two. I am not quite sure of the length of time and then the pension was discontinued.

This veteran is making a good living at the present time but in a type of occupation where eyesight is very important. He is not concerned with a pension at the present time but he is concerned somewhat about the future so far as his income is concerned. He is also concerned in respect to the particulars of treatment should this eye condition recur or get worse.

Would you mind telling the committee, Mr. Melville, what the position of that man is at the present time and what his rights are?

Mr. MELVILLE: I take it that in respect of the case you cite there as an entitlement granted by the commission for that eye condition?

Mr. HERRIDGE: That is right.

Mr. MELVILLE: The veteran was examined?

Mr. HERRIDGE: Yes.

Mr. MELVILLE: The disability was found to be of an assessable degree and a pension was awarded?

Mr. HERRIDGE: Yes.

Mr. MELVILLE: The pension continued until he was called in for re-examination. On reexamination one, two, three, four, five years afterwards the eye condition was found to have improved and was no longer a disability to an assessable degree. As a result of that his pension ceased or was reduced. If there was no disability at all, no pension could be paid. However, this man still retains his entitlement, he never loses that. This means the man is entitled at any time to such treatment as is required for the eye condition. This treatment is given under departmental auspices, and should the eye condition worsen and become assessable then he will be reinstated on pension.

Mr. CARTER: In the case of a veteran who has appealed a decision and has lost that appeal, how long must he wait before he can request another examination?

Mr. MELVILLE: The pension act provides that the decision of an appeal board is final and binding on the commission.

Mr. CARTER: Does that apply forever?

Mr. MELVILLE: I will come to that question.

The act says that the decision of the appeal board is final and binding on the commission. There is, however, section 65 (4) of the pension act. This is a provision whereby an application for leave to re-open may be considered.

The act specifically provides that the only basis on which such an application may be granted is on account of it having been established that there was an error made in the previous decision of the appeal board because of evidence not having been advanced or otherwise. The procedure then is, the decision has been rendered by the appeal board; the applicant does not accept such decision—he feels it was unfair. He then consults his advocate and the advocate advises him that there is only one avenue to follow and that is by application under section 65 (4). He would ask the applicant if he considered that there was an error on the part of the appeal board in their decision and if so what the error was. These facts are then marshalled and an application comes forward as a rule from the veterans bureau or the legion service bureau office for leave to re-open.

When the application is received an altogether new appeal board consisting of three of my colleagues is named to consider that application for leave to reopen.

I must make it clear, this is not a re-hearing of the claim. A decision in that regard has been rendered by the previous appeal board.

However, this procedure is in accordance with the statutory requirement to decide whether or not an error was made in the previous decision on account of evidence not having been presented.

On a number of occasions new evidence will be advanced and new diagnoses are made which have a material effect on the decision rendered by the appeal board. If the new appeal board, after considering the application, decides there was an error made they grant the application. Once that application has been granted everything that has happened in the past is wiped out in so far as that disability is concerned. We then will render an initial decision. If a pension is not granted the man still has his right to further renewal and eventually an application to the appeal board.

Mr. CARTER: What would be the position of a pensioner whose claim and appeal is rejected on the basis that his condition was a pre-enlistment condition? That assessment of his pre-enlistment condition would depend upon an interpretation and evaluation of certain factors based on evidence perhaps which he presented himself and that evaluation might not be a correct one. What recourse would a pensioner have in that regard?

Mr. MELVILLE: That evaluation is done by members of the original board. The man is present to put forward his claim. To assist him in advancing his claim he has an advocate from the veterans bureau or a service officer of the legion, or another veterans organization. He has his witnesses and the appeal board considers all these factors relating to the claim. The appeal board then renders their decision. If the claim is not granted and the applicant subsequently is able to prove that there was an error in the decision of the appeal board, and has evidence to support that, then he submits his application for leave to re-open. This is not a re-hearing of his claim. We have no authority to re-hear his claim unless an application is granted.

Mr. CARTER: What would you say in regard to a person, particularly a veteran, who runs to the doctor for every type of ache and pain and builds up a record? Would such an individual have an advantage over a person, or another veteran, who did not bother to form such a habit?

Mr. MELVILLE: I think Mr. Carter can answer that question just as well as I, or any of us who is a veteran, could answer it.

There are World War I veterans who are now claiming a condition relating to service in World War I whose records are blank—there has been no complaint. Sometimes they received treatment from a unit medical officer and that was all. In such a case we have to weigh all the factors, Mr. Carter.

Mr. CARTER: I think there is one point in connection with that situation that should perhaps receive a little more consideration than it has up to now.

Persons who have medical facilities at hand tend to make use of them and thereby acquire the habit of going to the doctor frequently whereas another person living in an isolated community who has no doctor available and cannot get in touch with one simply ignores his aches and pains and does not bother to see a doctor. I think such a situation applies to a great many of the people living in isolated communities in Newfoundland. They do not have the documentation that another person would have living in an area where medical facilities were readily available.

I certainly believe that some of the residents of Newfoundland suffer as a result of that situation.

Mr. MELVILLE: That may be so, Mr. Carter, however, I have previously expressed the statement that many decisions of the appeal board are granted on the credibility of the applicant and his witnesses. The board members are impressed by a member of the forces who comes forward with regard to a claim and tells a straightforward story of what happened during his service and the period subsequent thereto. Many, many claims are granted on the basis of a straightforward and credible story.

Mr. MCINTOSH: How does the board determine the eligibility of an applicant who has been seconded or attached to another allied force where the records are not as complete as are the records of the Canadian forces? I am thinking particularly of some of these R.C.A.F. personnel who were attached to R.A.F. airfields in the United Kingdom. They may have had minor ailments at that time, were hospitalized, and were not given too much consideration due to the fact that there were casualties coming back from the continent. I have in mind a case of a person who had a heart condition which was apparently agitated through the service over there. Through lack of records the board turned down his claim, but he was later given a burnt-out pension.

Mr. MELVILLE: There is a very distinct difference here which we must bear in mind. The case which you cite was of a person who served with the British forces.

Mr. McINTOSH: No. He was in the Canadian forces attached or seconded to some British airfield.

Mr. MELVILLE: And the disability probably was incurred while serving with them?

Mr. McINTOSH: Yes.

Mr. MELVILLE: We find that the records maintained by the British ministry—who have an office in Ottawa—in respect of pensions are very, very good. However, there may be some difficulty in obtaining other records. All we can do is help him. Through the director of war service records here we have access to records, not only documents but also day books of the hospital records and there are many other records.

We might go back, with the information we have been able to obtain from the applicant, to the United Kingdom, giving the date and place and asking that a search be made of the records of the unit to see whether or not anything can be done to support his claim. We receive excellent cooperation and help in many of these cases.

Mr. McINTOSH: You are satisfied that the information which you obtain is sufficient and that they keep their records in good condition?

Mr. MELVILLE: The British records are excellent and we have access to them; they are in first-class condition the same as are our own.

Mr. MACRAE: Mr. Chairman, I wish to raise a point concerning the relative treatment accorded a common-law wife under the Pension Act as compared to the War Veterans Allowance Act. It would seem to me that a woman in such a union is accorded much better treatment under the War Veterans Allowance Act.

I have a case of a World War I Veteran who married during the first world war, separated, lost touch with the woman he married, and later entered into a common-law union in which there are six or seven children involved. He is an 80 per cent pensioner and cannot obtain any pension for either the woman or the children, as I understand it, today—and if I am wrong in my understanding, I may be corrected—unless he can furnish proof, which would involve a great deal of expense, that his first wife is dead. As I understand it, under the War Veterans Allowance Act there is not the same requirement. I believe what is being done in this case, in order to protect the woman and the children, is that the Legion is trying to establish a war veterans allowance eligibility.

I do not bring this matter up to encourage such unions, but rather to protect those who are in that particular state.

Mr. MELVILLE: We abide by the laws of our country. Let us go back to the Pension Act. If a man on enlistment was living with a woman who was publically represented as his wife and had been so for a reasonable period prior to his enlistment, then if his death is incurred during service the woman is pensioned. It seems to me that the reason this provision is in the Pension Act is perfectly clear. This man was living with, supporting and maintaining, a woman at the time that the state took him away to serve his country. Therefore if, during his service for the country, death intervened the state must continue its responsibility and make provision for that woman.

However, if a member of the forces returns to Canada and carries on with his way of life and eventually associates with and takes into his household a woman with whom he lives in a common-law relationship, there is no authority in the Pension Act by which we may pay an additional pension for that woman.

We have any number of cases, as I think the members of the committee will appreciate, where a marriage has taken place many years ago. It may have been in the United Kingdom. We assist the applicant by having inquiries made through the overseas office of the Department of Veterans Affairs in London, England, to see whether or not there is a record of a marriage. Having found the record of the marriage, we then have inquiries pursued, also through the cooperation of the British ministry, in an endeavour to find out whether or not that woman is still alive. If she is—and in many cases we have been able to track down these persons—then in that case we cannot grant a pension. There is only one course open to him; that is to obtain a divorce. There is no authority in the Pension Act by which we can recognize common law unions which have been entered into following discharge from service.

There are quite a few cases where the member of the forces is unable to find any trace of his wife; he has advertised and has pursued diligent inquiries and nothing has been found. He then makes application to the provincial courts for a presumption of death. If that presumption of death is granted and he then marries the woman with whom he is living in a common law relationship, the pension commission will pay a pension to her from the date of the marriage.

Mr. CARTER: Is there any provision in the pensions commission, or anywhere in the department, to assist a widow in establishing her claim? I know of a case of a pensioner who was a widower and married a widow. This widow's husband had been drowned many years previously. When the pensioner died she applied for a pension because her husband was a 100 per cent pensioner and eventually she received it. But when this woman applied for a pension she herself had to establish the fact that her previous husband was dead, in other words that she was a widow when she married a veteran. That woman was not in a position to do this. I did it for her and it took me months and months to gather up the information and finally prove that she was a widow when she married this pensioner.

There should be some other agency to assist people like that.

Mr. MELVILLE: There are two agencies. One is the representative of the commission, the pension medical examiner locally, who will institute inquiries; the other is the district pensions advocate who is always ready and anxious to assist any applicant in the advancement of a claim to pension.

By the same token I am quite sure if these people went to the provincial command of the Legion they would find that the Legion is anxious to extend their facilities.

Mr. CARTER: My information was that she did not know about that. She made application and was told that she could not get the pension because she could not establish that her husband was dead when she married the pensioner. There was no information given to her and the burden was left with her to prove that she really had been left a widow.

Mr. MELVILLE: Well, it is very necessary that the commission have proof because we cannot pay pension without having the necessary authority. We have cases following death where the commission has been paying additional pensions on behalf of a wife.

Mr. CARTER: I want you to understand that I am not quarrelling with you, at what I am trying to establish is that widows of pensioners generally would know that in cases such as this there are agencies which will assist establish their claim. When I brought it before the local authorities they did not seem to think it was their business to find out or help this woman establish her claim.

Mr. MELVILLE: It is not only the persons I have mentioned, Mr. Carter, at you will also find that the welfare services branch of the department,

who have welfare officers to cover the whole of that particular area within that district, will be ready and anxious to call on that widow, to get that information from her and to pursue any inquiries to develop her claim. That is what they are there for and they are ready to do that.

Mr. CARTER: There are three agencies,—the welfare services branch, the pensions advocate and the commission itself.

Mr. ROGERS: Mr. Melville, do you find that the medical records of World War II are more up to date than those for World War I?

Mr. MELVILLE: Yes, there is no question about that. The commission had very close contact with the directors of medical services of the three services—navy, army and air. They know our requirements, and instructions were issued by them. Records are certainly much more complete for World War II and subsequently than they were for World War I.

Mr. HERRIDGE: Some years ago in the committee, when the committee was discussing the advancement of the marriage date line for eligibility for wives and dependents, there were two points of view generally—one was with a certain amount of pessimism—namely is it worth while owing to the aging of the veteran, and the other one, was there evidence to the effect that pensions had been abused, from experience, as a result of the civil war in the United States. However, the prevailing feeling of the committee at that time was of admiration for the aging veteran who might marry, and the date line was advanced. Could the chairman of the commission tell the committee what numbers of the first world war veterans are being married in recent years, and could he also give the committee some idea of the numbers of children as a result of those unions.

Mr. MELVILLE: The restrictive date line relates to World War I veterans. Prior to the amendment to the act last December additional pensions could not be paid on behalf of a wife of a World War I pensioner, if marriage took place after the first day of May 1954, nor of children born of that union. The average age of the World War I veteran today is about 68 or 69. I think that answers the closing part of Mr. Herridge's question. The numbers who benefitted were beyond what the commission estimated.

Mr. HERRIDGE: The committee was correct in its anticipation then.

Mr. MELVILLE: A number of aged World War I disability pensioners had not remarried and were afraid to take on the additional responsibility without some compensation. When the date line was removed altogether by the amendment to the statute last December a great number married, and a number who had married from the 1st day of May 1954 and of whom we had kept track were paid additional pension. The actual number was 528. This was the actual figure, when I went west two months ago, of the number of World War I pensioners who had married or remarried and who are now being paid additional pension on that account.

Mr. HERRIDGE: Information you have just given us would indicate that World War I veterans are more vigorous than those of World War II.

Mr. MACRAE: What is the cut-off date now?

Mr. MELVILLE: There is no cut-off date. The restrictive date was removed entirely. Not only was it removed entirely by the amendment of last December, but it is made retroactive to the 1st of October 1957, provided marriage had taken place prior to that date. So there is no restriction with regard to marriage or remarriage of a World War I veteran. He may receive additional pension for his wife.

Mr. BEECH: Does the pension commission recognize American divorces?

Mr. MELVILLE: No, we conform to the laws of Canada.

Mr. WEICHEL: In the case of a veteran being lost in the theater of war, is there a time limit of seven years in which the widow cannot marry again? Is that right?

Mr. MELVILLE: This is a case of a presumption of death, Mr. Weichel. Do you mean a member of the services who was serving and is missing?

Mr. WEICHEL: That is right.

Mr. MELVILLE: The famous case is that of Squadron Leader Mackenzie who was serving with the forces in the theater of operations in Korea. He was reported missing. The Department of National Defence continued allowances on behalf of his dependents for an appreciable period and then when word did come through—it was well after a year—that he was interned, in enemy hands, then when he was discharged from service the whole thing was taken care of. So their interests are taken care of.

Mr. WEICHEL: What would happen if he did not show up in the seven years, the wife married again, and then he did show up?

Mr. MELVILLE: That eventuality has not arisen with the Department of National Defence. When the department issues an official presumption of death, the commission act on it and the pension is paid to the widow. But the responsibility is with that department, not with us.

The CHAIRMAN: Are there any further questions, gentlemen?

Mr. MELVILLE: Maybe I could amplify the answer I gave to Mr. Beech, which was too broad, regarding obtaining divorces in the United States. If it is substantially a good divorce and he was living within the jurisdiction of the state which granted the divorce, and domiciled there, then we would accept it.

Mr. HERRIDGE: I have a question which I think will be of interest to all members of the committee. Could the Brigadier explain the arrangements that are made for the examination of pensioners who reside in other countries such as the United Kingdom and the United States, if an examination is required by the pension commission or applied for by the veteran himself.

Mr. MELVILLE: We have a doctor in London, England, who carries out examinations for us in the immediate area. Throughout the rest of the United Kingdom examinations are arranged for and carried out through the great cooperation of the British Ministry of Pensions and National Insurance.

In the United States we receive whole-hearted support from the United States Veterans Administration and they will carry out examinations for us or they will give treatment to Canadian pensioners living in that country for conditions for which they have pension entitlement. Throughout other parts of the world the situation is a little different. But we do get medical service from many doctors—foreign ones as well. We get translations of them, and take whatever action is appropriate. But if the pensioner removes himself from the areas in which facilities are available to him, then that is part of his own misfortune. We do everything we can, but we cannot do the impossible.

Mr. HERRIDGE: What happens in the case of a pensioner who dies in a country other than Canada and who, if he lived in Canada, would be entitled to a headstone? What does the department do in that case?

Mr. MELVILLE: I think you would have to ask that question of the department. The commission does not supply headstones. There is authority in our act which enables the department to place a headstone in certain circumstances; but I prefer, Mr. Chairman, that the question be asked of the department.

Mr. MACDONALD (*Kings*): I would like to ask Brigadier Melville a question relating to the cases of people who served under the British Army loan or with the R.A.F. You mentioned earlier that you had great cooperation from

the British counterpart of the Department of Veterans Affairs. Are copies of their records automatically sent from that ministry to your commission for filing?

MR. MELVILLE: If the member concerned was living in Canada or in the United States his records are in the office of the representative of the British ministry in Ottawa. So that they are readily and immediately accessible to us if it is a claim for us.

MR. MACDONALD (*Kings*): Those copies are not sent automatically?

MR. MELVILLE: No, they are their files and their records, and they are maintained by them.

The CHAIRMAN: Does that complete the questioning, gentlemen?

Items 489 to 491 agreed to.

That completes consideration of items under the Canadian Pension Commission. Thank you very kindly, Brigadier Melville.

MR. MELVILLE: Thank you Mr. Chairman and gentlemen.

The CHAIRMAN: We now have the chairman of the veterans bureau, Brigadier Reynolds, with us. Perhaps before we proceed to that item, which is item 480, we should deal with some of the questions which have been hanging fire. Colonel Lalonde, we are going to deal with some of these questions which have been postponed. Could you come forward for a moment. The deputy minister has some replies to outstanding questions.

MR. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): The first question to which I should like to reply now was asked by Mr. Jung at page 37 of the record. It had to do with the rehabilitation program, and we were asked to provide a breakdown by professions of the veterans who have gone through the university training program, to give the cost by profession, and also what follow-up the department had made of the success achieved by these veterans as a result of their qualifying under the rehabilitation program.

We indicated previously that approximately 60,000 veterans were approved for university training and we know that approximately 30,000 of those trainees graduated from approved courses. This number includes those who graduated while they were in receipt of training allowances and on whose behalf we were paying tuition fees, as well as those who graduated after having exhausted their entitlement to benefits under the act, but went on on their own.

I would like Mr. Chairman, with the consent of the committee to put on record a table showing the number of graduated veterans by profession. I do not know whether the committee wishes me to recite the list before I place it on record.

An HON. MEMBER: Let us table it.

ESTIMATES OF NUMBERS OF WORLD WAR II VETERANS WHO GRADUATED FROM CANADIAN AND FOREIGN UNIVERSITIES, BY TYPE OF COURSE, UNDER THE VETERANS REHABILITATION ACT, 1945, DURING THE PERIOD NOVEMBER 1, 1941 TO SEPTEMBER 30, 1957.

Course	Number of Veteran Graduates	
Agriculture.....	1,845	
Horticulture.....	16	
Arts and Science.....	8,981	
General.....	8,078	
Social Science.....	604	
Political Science.....	233	
Languages.....	66	
Commerce and Business Administration.....	2,715	
General.....	2,674	
Industrial Relations.....	39	
Education.....	2,298	
General.....	1,283	
Teachers and Instructors.....	1,015	
Engineering.....	5,727	
Chemical.....	424	
Civil.....	767	
Electrical.....	954	
Industrial.....	23	
Mechanical.....	3,138	
Mining.....	421	
Architecture.....	312	
Forestry.....	621	
Law.....	1,729	
Medicine and Related Fields.....	2,977	
Medicine.....	2,297	
Dentistry.....	457	
Optometry.....	159	
Chiropractor.....	4	
Osteopath.....	15	
Physiotherapy.....	24	
Occupational Therapy.....	16	
Laboratory Technician.....	5	
Health, General.....	1,824	
Health Nursing.....	415	
Household Science.....	104	
Health and Physical Education.....	137	
Pharmacy.....	775	
Veterinary.....	393	
Theology.....	462	
The Arts and Related Fields.....	493	
Art.....	186	
Music.....	81	
Journalism.....	93	
Librarian.....	92	
Interior Decorator.....	41	
TOTAL GRADUATES.....	30,000	

Research and Statistics Division.
July 2, 1958.

Mr. LALONDE: This table shows the number of veterans who graduated in each profession or trade under various headings.

As far as the follow-up program is concerned, the department checked on the employment prospects of veterans approved for university, and in doing so referred to their employment within a year after leaving university. We did not think it would be possible to follow them through their career or years to come. We did not think that was necessary as long as we knew whether they had been reestablished or not.

Having done this, we found that on the basis of a survey of those who completed a degree course and accepted employment in line with their

training, 73 per cent reported that they had good employment prospects within that year. Of those who did not complete their university training but who accepted employment in line with the partial training that they had received up to that time, 45 per cent reported that they had good employment prospects. It is evident that those who completed their courses were better off than those who did not. I think, however, that the figure of 73 per cent for those who had completed the training is perhaps on the low side because we do not know how many of those subsequently found employment in line with their training. They did not report to us.

As we indicated earlier the amount expended on allowances and tuition fees for university training totalled \$142 million.

We have studied the table showing the breakdown by profession and I am sorry to say that it is not possible for us to break the total amount of \$142 million into the cost for each profession because we cannot use averages due to variations in the fees for the different courses followed, not only between one course and another but between the various universities involved. Also, we could not use an average because there is a great deal of variation in the time requirements to graduate between one course and another.

We have tried to answer the whole question but that part of the information is impossible to supply.

The CHAIRMAN: That table will be printed in the text of the report for today, I understand Mr. Lalonde.

Mr. LALONDE: The next question was asked by Mr. Rogers on page 58 of the report. I gave at that meeting an estimate of the number of veterans of both world wars who would be eligible for war veterans allowance if the act was open for those with service in Canada only. I also gave an estimate of the cost of that proposal. Mr. Rogers asked if we could break down those figures between World War I and World War II. What I have done is to take out from the total figures that I gave, the numbers that apply only to World War I. On the basis of the same assumptions that I mentioned at the previous meeting, in the year 1958—that is, as of now—the number of World War I veterans who would be eligible, if that provision was amended, would be 15,800 veterans for an additional annual liability of \$14,600,000.

The number of widows of World War I veterans would be 4,000 for an annual additional liability of \$2,900,000. This is based on the fact that for a total enlistment in World War I of 626,636, there were 375,679 who had what we call overseas service under the War Veterans Allowance Act and 250,957 who had service in Canada only. That gives a proportion of 59 per cent of the total enlistment with overseas service and 41 per cent without overseas service. And the proportion is related in the figures I have just given you to the total number of World War I veterans now receiving the allowance. The proportion is the same. Is that satisfactory?

Mr. ROGERS: If it was opened wide, they would not necessarily all apply would they?

Mr. LALONDE: This figure of 15,800 is in the same proportion to the total eligible as is the proportion of those who applied and received the allowance to the total number who had overseas service. We have to make an estimate so we take the same proportion.

The next question was asked of Mr. Rutherford, and I will ask him to give you the answer.

Mr. T. J. RUTHERFORD (*Director, Soldier Settlement and Veterans' Law Act, Department of Veterans Affairs*): It is a question, Mr. Chairman, by Mr. Regnier. The question was: "How many applications for assistance we turned down last year." During 1957-58 there were 7,495 applications for qualification and 645 of these were declined. There were 3,280 applicatio

for financial assistance; that is after qualification, and 307 applications were declined. In addition, there were 820 applications for additional loans under part III of the act by full-time farming veterans who were already settled and 14 were declined. Mr. Montgomery also asked for a list of the members of the regional advisory committees. I find the list consists of 455 names. They are the original appointees. A few were appointed later but not too many. I think it would be very important, gentlemen, that this list be purged before it is published because I know a great many of these gentlemen are now deceased. The only way we are able to do that is to get the information from the districts. That was requested immediately after the last meeting, but naturally we have not been able to obtain it yet. I do know a great many men on this list are now deceased. We only keep these up-to-date lists at the regional district offices. Would that be satisfactory?

Mr. LALONDE: The next question had to do with Goodyear stitchers in our prosthetic shop in Toronto. I will ask Mr. Mace to answer that question.

Mr. ORMISTON: I was looking through the record and I was quoted as saying \$750 for rental. It should be \$7.50 per month rental. It was just a misinterpretation on the part of the reporter.

Mr. HERRIDGE: Or the printer.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): In actual fact Mr. Ormiston was not far out because the total annual rental is \$725.

I find the department has been interested in the renting of stitching machines since 1917 and I have had to go back into history to obtain this information. I also found that the United Shoe Machinery Company of Canada, which is a subsidiary of the American company, had a virtual monopoly on the boot-making machines. I think it is a fact in many boot-making shops you go into that they all have the same machines, patent control plays a large part in this matter. Whether we liked it or not, we had to rent machines and we did that from 1917 on. However, I believe in 1956 as a result of an inquiry by the combines investigation branch in regard to the parent American company, the United Shoe Machinery Company of Canada then offered to sell us these machines. We wanted a machine and they quoted a sale price or offered a rental basis. We noted this fact and realized maybe the situation had changed; so in 1956 we decided to inquire as to the availability of these machines. We sent our inquiries to seven firms and as a result of that we had four tenders submitted from different firms. We bought a machine from the Landis Machine Company of St. Louis, Missouri. We are aware now there are different machines available and, as a matter of fact, the machine we purchased was considerably cheaper than the other one. As we find it necessary to replace these machines, we are now going out on the open market to buy them on open tender.

Mr. ORMISTON: That is why I asked.

Mr. MACE: We will do it only over a period of time, because we have paid the installation charges on the machines we have and we will continue to pay the \$7.50 rent monthly. Obviously it would be uneconomic to immediately buy all these machines, because we have quite a few of them.

Mr. ORMISTON: Is it permissible for you to record the price at which his company will allow you to purchase this machine?

Mr. MACE: Generally speaking the department does not give out quoted prices, as we consider them confidential information. I should point out that prices quoted would be dependent to some extent on delivery points.

Mr. HERRIDGE: A splendid illustration of the anti-social nature of monopolies.

The CHAIRMAN: Are there any further questions?

Mr. LALONDE: I believe the only question on record which has not been answered was asked by Mr. McIntosh at the previous meeting, when he referred to information about expenditures for the fiscal year 1957-58, which are not shown in the estimate book, but where the estimate for 1957-58 is shown.

Mr. McINTOSH: I object to comparing estimates with estimates. I think we should be comparing estimates with expenditures. If we are trying to cut down in any way, I have not seen any action in that regard as yet, and I assume this is one of the purposes of this committee. If the administration costs can be cut down, we should be able to compare what you are going to spend this year with what you actually spent last year. Last year's estimates to my mind do not mean a thing to us.

Mr. LALONDE: Mr. McIntosh, we have that information and Mr. Mace can distribute it. However, sir, I would point out that in estimating our requirements for 1958-59 we use our expenditures for the previous fiscal year as a guide. But we must keep in mind that conditions vary from year to year; and therefore where we had estimated for a certain amount in the previous year and did not need to spend that money, we have to look forward and say, "this year, will we need to do that or not". So, you will find there are variations between expenditures for the last year and estimates for the next year.

Mr. WEICHEL: May I mention this for the record. In my riding we have Waterloo college, which is affiliated with Western university. Recently in their curriculum they have included an engineering course. At the present time they have 700 students and hope by 1965 to have an enrolment of 2,500 students. They are also building nineteen new buildings and hope in that time they can have the status of Waterloo university. I thought that might be of interest.

Mr. LALONDE: Mr. Weichel, we know about this, because we have some students at Waterloo college taking courses under the Children of War Dead (Education Assistance) Act. We have had dealings with the college.

Mr. WEICHEL: I expect the president here in a couple of days.

Mr. BEECH: I do not know whether this is the appropriate time to mention this or not, but it seems to me a growing number of air crew personnel are being discharged now who find themselves unable to obtain employment. I am wondering if our rehabilitation scheme extends to the armed services of today in the matter of courses and this sort of thing?

Mr. LALONDE: I take it you are referring to those who serve in the regular forces and who had no service in World War II?

Mr. BEECH: Some of them probably have, and have carried on over, but have been discharged since.

Mr. LALONDE: Those who have had no service in World War II and are serving in the regular forces are not considered as veterans when they come out of the regular forces and they do not come under our department.

Mr. BEECH: Then it is a matter for the Department of National Defence?

Mr. LALONDE: That is right.

The CHAIRMAN: Before calling on the Veterans Bureau, may we take up a few of the queries? I believe Mr. Robinson has a question about the last post fund.

Mr. ROBINSON: Perhaps I might receive some information from your department concerning the last post fund and who administers it?

Mr. LALONDE: The last post fund is administered by a board of civilians who are elected under the authority of the federal charter which created

the fund and who serve on a benevolent basis. They have their headquarters in Montreal and they make their own rules for administration.

They were empowered to do this under the charter which set up the fund and the board.

Mr. ROBINSON: The information is to be found on page 59 of the second meeting of our committee. There it mentions the means test as far as the war veterans allowance is concerned. As we know, one may receive the war veterans allowance and still own a home to the extent of \$8,000.

In case that veteran should die, his funeral expenses are looked after. But there is a case in which I am interested where a chap passed away who did not own his home but rented it. He had some insurance, but nothing to come up to the amount he was allowed to have if he had owned his home.

In his case the widow had to pay to the last post fund. I know we cannot do anything about it here, but I would like to get it on the record.

Mr. LALONDE: As I told the committee the other day, I am informed that if a veteran with dependents dies leaving some insurance, let us say, to the extent of \$1,000, then the last post fund will pay, if there are no other cash assets, of course. But if there were total cash assets of over \$1,000, then the last post fund would ask the next of kin to pay that portion of the funeral costs which would be over \$1,000 of cash assets.

In other words, they would not reduce the cash assets by claiming payment for a funeral below \$1,000.

The reason this is not applied to a home is because the last post fund considers that a home is not a negotiable asset and they should not force the next of kin to sell a home in which they may be living, in order to pay for the funeral. That is why there is this exemption.

Mr. ROBINSON: It appeared to me to be an inequity, where it penalized the widow in this case. She was in a rented home.

Mr. LALONDE: Actually the same condition exists under the War Veterans Allowance Act. It is done partly for welfare reasons so that people who own a roof over their heads are not forced to sell that home. The same situation exists in both cases.

The CHAIRMAN: I believe Mr. MacEwan has a question.

Mr. MACEWAN: Yes, I would like to ask about treatment services. I understand that provision was made for payment of medical and hospital bills outside of Canada in certain cases as set out by statute.

Dr. J. N. B. CRAWFORD (*Director General, Treatment Services, Department of Veterans Affairs*): With respect to the pensioner, sir, the pensioned veteran for his pensioned disability, we are responsible for the treatment of his condition, and for the total treatment wherever the pensioner may be, any place in the world.

We have a very simple arrangement with the United Kingdom as Mr. Melville has told you. We have a doctor over there so we have some administrative control.

Actually the health plan in the United Kingdom is such that this treatment is readily available.

In the United States we have a very close liaison, which has been described to you, with the Veterans Administration. Our pensioned veterans may gain access to the Veterans Administration hospitals in the United States. It is a very fine system indeed.

We pay whatever we have to pay to the Veterans Administration for the care which they provide.

Where a man has been unable to get in to a Veterans Administration hospital in the United States, or similarly in England, or similarly in Europe and where private medical fees are involved, we pay them.

We attempt to assess them, of course. I think we are required to do this, to see that the charges made are just and reasonable. But we have in fact paid for whatever treatment is provided outside of Canada for pensioned veterans for their pensioned disabilities.

Mr. MACEWAN: I was thinking of a pensioner living in Canada who thought it necessary to go, let us say, to a clinic in Boston to be treated. I understood in such a case that certain amounts are allowed.

Mr. CRAWFORD: You mean that he lives in Canada, and we feel that suitable treatment is not available in Canada?

Mr. MACEWAN: Yes.

Mr. CRAWFORD: Yes, we have done this, and we do pay; but we are doing it to a lesser extent as the years go by, because I am happy to say that treatment in Canada—either in our own system or elsewhere in Canada—is of a very high order, and we feel it is less and less necessary to send people out of the country for treatment.

Mr. McINTOSH: With respect to the item on page 2 of the sheets we have, and that amount of \$6 million, about half way down the page, the second, item 4, does that cover the doctor of choice plan?

Mr. CRAWFORD: That is right. This is the doctor of choice plan which I was describing to you to some extent when I last spoke. Not all patients in Canada are treated in our hospitals. We have veterans, pensioned veterans—for pensioned disabilities—or W.V.A. recipients hospitalized in other hospitals, and with respect to them we have a contract under which we pay a per diem rate. This is the amount we require in order to provide for this service.

Mr. CARTER: Would Dr. Crawford give me the cost or the amount paid for treatment of Newfoundland veterans in Newfoundland where there are no veterans hospitals?

Mr. CRAWFORD: I could do that quite easily.

The CHAIRMAN: Are there any further questions?

Mr. HERRIDGE: I would like to ask Mr. Lalonde a question about headstones. What does the department do if a veteran dies in another country—other than Canada—and over whose grave a headstone would be erected if he lived in Canada? Secondly, if a veteran dies in another country, does the Canadian Pension Commission inform or notify the appropriate person in the department to see that necessary action is taken?

Mr. LALONDE: The regulations are known as the veterans burial regulations, and they permit us to provide grave markers to certain veterans such as those who died of their pensionable disability or those who died in our hospitals in Canada only. We do not provide grave markers outside of the country.

The CHAIRMAN: Now, gentlemen, are there any further questions before we call on Brigadier Reynolds?

Mr. ROGERS: Is the chairman of the war veterans allowance board going to be here next Thursday?

The CHAIRMAN: He is here right now, Mr. Rogers.

Mr. ROGERS: Yes. I have been wondering about the means test. You are allowed to have real estate to the value of \$8,000 and liquid assets to the amount of \$2,000.

How is the real estate value determined? Is it the actual value, the appraisal value, or is it the assessment value?

Mr. F. J. G. GARNEAU (*Chairman, War Veterans Allowance Board*): We have always had some difficulty in arriving at the valuation of property in which real estate is involved. But a few years ago we decided upon what we felt was a fair formula. This was to consider as the value of the property

either the amount of the actual investment of the veteran in that property, or the assessment placed upon it by the municipality, whatever it was, wherever the veteran lived, and whichever was the greater.

In other words, if the veteran had invested in his property \$7,000 of actual expenditures and so forth, and the assessment was \$4,000, then the value of that property for our purpose would be considered as \$7,000. Anyway that is under \$8,000 which is exempt under the Act.

I might say that in some cases it was very difficult to assess certain property which had been left by way of inheritance or gifts.

So we took as a fair yardstick the valuation placed on it by the municipality, wherever he lived. It is practically impossible to have a standard evaluation yardstick, as you can readily understand, applicable all over Canada. This evaluation varies with municipalities, counties and so on where the veteran lives. We have had, I would say, remarkably few or hardly any complaints at all on that score. Apparently the veterans have been satisfied in that regard.

I believe in some cases when a municipal evaluation has been made the veteran through an advocate, or a representative may appeal to the assessment officer, and generally a method of adjustment is found so the allowance is not interfered with.

Mr. ROGERS: Do you believe the same situation exists in regard to a quarter section of land? When a veterans has a quarter section of land, do you take the assessment value?

Mr. GARNEAU: I do not particularly have in mind farmers or landowners but so far, that is the yardstick we have been using. We have had very few complaints, I might say.

A farm would be valued by the municipality at so much. That evaluation may be higher than the veteran's investment, but by the same token the veteran's investment might be higher. So we apply whichever is the greater of the owner's investment or the valuation of the municipality.

We have had few cases of serious complaints in respect of recipients living in rural municipalities and on farms as compared to the over-all number of recipients. If there are any individual cases of that nature I would be very glad to look at them to see what could be done.

Mr. ROGERS: I would like to ask another supplementary question. If a veteran on a quarter section farm found he had reached the stage where he could not carry on and the investigator came out to take his application, one of the first things he would tell the veteran would be to sell his farm.

Mr. GARNEAU: That is possible, yes.

Mr. ROGERS: He would advise the veteran to buy a house in town. As you are aware, the assessment value of real estate allowable is governed by provisions and can only be so high, usually under \$8,000. That same quarter section might sell for \$14,000, and the fact that it does precludes the applicant under the War Veterans' Allowance Act.

Mr. GARNEAU: May I interrupt here? We do not take into consideration the potential sale value of the property at the time of application. We still tick to the amount the veteran invested in that property. The property may well be worth \$15,000 because a road is being built through it, but until it is actually sold—we are not dealing in futures, so to speak—and we just take the actual investment at the time of the application, or the assessment which is made by the municipality.

We know of many cases of farm lands or urban properties that have a potential sale value of \$15,000 or \$16,000, and actually those properties cost originally \$6,000. We do not use those potential sales values and as a result refuse an allowance. If such a case exists I would be very glad to re-consider it.

Mr. ROGERS: I am sorry to go further with this question but I want to carry it just a bit further.

As you will realize you cannot buy a house in town today for less than \$12,000 or \$13,000. This type of house was probably worth \$4,500 13 years ago. If a veteran sold his farm for \$14,000 and then bought a property in town for say \$12,000, or perhaps for the whole \$14,000, and then made an application for war veterans' allowance would the investigators set an assessment value on this new property, or would they take the price the veteran paid for it as the value?

Mr. GARNEAU: The investigator would take whichever figure was the greater, the price he paid for it or the municipal assessment, according to our present methods.

Mr. ROGERS: If the investigator took the \$14,000 which the veteran paid for this new property this would preclude an application for war veterans' allowance.

Mr. GARNEAU: Not necessarily. That would not preclude an application.

Mr. ROGERS: That is exactly the point I would like to get cleared up.

Mr. GARNEAU: \$14,000 is a rather large amount of money. In a case such as you have described we assess only the amount in excess of \$8,000 at five per cent for the purpose of income. In other words, we reduce the amount of allowance payable—within the ceiling, of course—by five per cent of the extra amount. If a veteran bought a property for \$12,000, \$200 would be regarded as income for the purpose of the War Veterans' Allowance Act.

Mr. ROGERS: I think we must look at this act again because values today are certainly not the same as they were a few years ago. A person just cannot buy a property in town that is fit to live in for less than \$12,000.

Mr. GARNEAU: At the last session of parliament the exemption on property was raised from \$6,000 to \$8,000. I can only suggest that this is a matter which is in your hands, sir.

Mr. HERRIDGE: Colonel Garneau, before your inquisition terminates I would like to ask you a question.

I find there is an increasing number of recipients of war veterans allowances who are taking delight in drawing to the attention of their member of parliament the fact that a member of parliament can draw a pension in any country in the world when he retires, and understandably so, while the recipient of a war veterans' allowance must remain in Canada.

Several members of parliament, associated with different political parties, have suggested that war veterans' allowances should be paid to veterans living outside of Canada because of family or health reasons. As yet we have not been successful in that regard.

I wanted to ask you, Colonel Garneau, if you had found that a number of cases of this type exist?

There is a veteran living in my constituency who, owing to a certain rather unusual family reason—his wife insists on living in England—is receiving an allowance as a single veteran.

An Hon. MEMBER: He is lucky.

Mr. HERRIDGE: That I think depends on your analysis of the situation.

There are a few cases where veterans, because of health reasons, must live outside of Canada. I am familiar with one such case in my constituency. I think Colonel Garneau is also familiar with that case. This matter was settled by the veteran's demise.

However, have you noticed a growing demand, on the part of veterans coming within the two categories I have mentioned, for war veterans' allowances to be paid outside of Canada?

Mr. GARNEAU: Frankly I cannot say that I have, sir. I have noticed an occasional case but I would not say there has been an increasing demand even following the recent amendment to the legislation allowing a six month period of absence from Canada during which the full allowance would be paid. You will recall that this amendment was passed at the last session of parliament.

A veteran may live outside of Canada for six months in any calendar year without losing his allowance for the time he was absent. Although the allowance must be suspended while he is away it is readjusted retroactively when he returns.

Mr. HERRIDGE: You say there are very few cases which have been brought to your attention?

Mr. GARNEAU: Yes; I would, frankly, say so.

Mr. HERRIDGE: Then you would say, if the law was amended in that respect, that the cost to the national treasury would be very slight?

Mr. GARNEAU: That I am not prepared to say exactly. It is rather a hypothetical question I might say. There is another thing. I have been a fairly long time with the War Veterans Allowance Board. I will give this as a statement of policy dating back to 1930 when the act was passed. I believe that the question of paying allowances outside of Canada was discussed at that time and the idea was since it was, you might say, public money given for welfare purposes and not as a right, as is a pension or something like that, that the money should be spent in Canada—that it was payable and spendable, you might say, in Canada. There are more practical aspects to this matter. As long as the means test exists, if allowances were paid outside of Canada it would mean that in England, France, Belgium, or wherever the eligible veteran might choose to reside, the control—if I may use a harsh word—of the means test would become very difficult to apply, if not almost impossible except at high cost involving a lot of complicated machinery and using the services of the investigators of the welfare services of the country where the man resides. There is, therefore, it seems more to that problem than meets the eye.

Mr. HERRIDGE: I remember once discussing the question of the national health insurance with Mr. Butler, a member of the British cabinet. He mentioned that they gave treatment to all personnel visiting England. I said to him that that must be expensive and he replied, "We think of the humane questions involved and also that the cost would be less than the cost of applying the means test. Do you think that the same thing would apply to the payment of war veterans allowance to persons overseas?"

Mr. GARNEAU: I am sorry; I am not sure that I understood you correctly.

Mr. HERRIDGE: The point which Mr. Butler made was this: I said to him, "You are giving treatment to American and Canadian citizens free at the expense of the British taxpayer," and I asked him "Why do you do that?" He replied that the cost of administration in determining whether or not that person was entitled to treatment would be greater than the cost involved in giving them the treatment. Do you think that the same principle would apply in respect of administering the payment of war veterans allowance to veterans overseas?

Mr. GARNEAU: I would not be prepared to answer that off the cuff. I think at some research would be necessary. Frankly, I have never made a study of that approach.

Mr. BEECH: I thought the suggestion was that most of the recipients of war veterans allowance were moving to British Columbia. I never heard of anyone leaving British Columbia.

Mr. HERRIDGE: Nor have I.

The CHAIRMAN: Are there any further general questions? It is twelve o'clock.

Mr. McINTOSH: Mr. Chairman I have some general questions which may require an answer later on when the department has had time to get an explanation. These questions are in respect of the statement which has been produced. Do you wish me to ask my questions now?

The CHAIRMAN: Yes.

Mr. McINTOSH: I have just glanced over the figures for the items of travelling expenses for the staff as compared to the expenses for telephones and telegrams. On page 2 I notice there is an amount of \$154,000 in the estimates for telephones and telegrams and that the amount for travelling expenses is \$231,000. As you go right through the whole thing it seems that these figures are all increased. Is it necessary that these figures be that high?

I also notice on the bottom of pages 2 and 3 that in respect of the amounts of recoveries from outside organizations the estimates are down from the actual amounts recovered last year. Why were those figures decreased in your estimates this year by an amount of approximately \$446,000?

The CHAIRMAN: Are there some further questions?

Mr. McINTOSH: Just in respect of those figures.

Mr. LOCKYER: I was wondering about this item, on page 2, in respect of compensation for loss of earnings?

Mr. LALONDE: This is paid to pensioners, or certain groups of other veterans, who are called in for medical examination either by the pension commission or by treatment services. Usually it is for either a half-day or a day, but always for a short period. Sometimes they are paid by the hour and when they come into our hospitals they lose a certain amount of their earnings. We compensate them on the same basis as if they were a 100 per cent pensioner during that time. The total cost for that compensation comes to about \$57,000 a year.

Mr. WEICHEL: Would that include their train fare, and so on?

Mr. LALONDE: No. It is only compensation for loss of earnings.

Mr. MACE: Mr. McIntosh, you made reference to travelling expenses and telephone and telegram expenses. First of all, I would like to say that there is no relationship between these two expenses in that they should be in any particular proportion to each other. The telegram and telephone expenses are in respect of the rental of our switchboards. This expense is related to our treatment institutions. Right across the country we are faced with the cost of the rental of switchboards plus the cost of long-distance telephone calls and telegrams. The actual expenditure in 1957-58 was \$152,000. I will give you a rough breakdown. Of that amount, \$127,000 was for the rental of switchboard equipment at the various institutions.

As far as travelling expenses for staff are concerned, we have an item of \$214,000. The largest single item within that is \$141,000 which is in respect of transportation of employees to certain of our hospitals. We have some hospitals which are located some distance from the centre of an urban area such as Westminster Hospital, Ste. Anne's which is 20 miles outside of Montreal, and the Ste.-Foy Hospital near Quebec city which are outside the regular transportation areas.

Mr. McINTOSH: Do you pay for transportation for your employees?

Mr. MACE: Yes. We found it was necessary in order to encourage people to go to work for us, let us say, at Ste. Anne's, that we had to pay the transportation costs of certain staff from Montreal station to the Ste. Anne's station. I forget the salary cut-off, but there is a level which the employee is assisted

In London in respect to transportation costs there are two bus fares involved, so we give certain employees tickets to provide for their transportation on the second busline.

That is \$141,000 of the total expenditure. Have you any other questions?

Mr. McINTOSH: On page 1 you have travelling expenditures shown for the staff in the amount of \$25,500 and you have another item for telephones and telegrams in the amount of \$37,500.

I find throughout the whole statement that some of these items are away down while others are away up.

Mr. MACE: The biggest figure for telephone expenditure occurs in our institutions where we have a full switch board. Many of our district offices on the other hand are quite small, and we may occupy part of a public building where possibly we may share the cost of the switch board by way of a proportion of the cost.

Mr. McINTOSH: What is the answer with respect to the bottom of page 2 where it says "Less recoverable costs, treatment of patients, staff meals and accommodation, etc."?

Mr. MACE: I think that is a reflection of the fact that our recovery from the Department of National Defence was not quite as large as we had expected.

Mr. McINTOSH: You actually only took \$6,600,000 odd while you estimated to get \$6,260,000?

Mr. LALONDE: That is because the number of national defence patients is diminishing.

Mr. MACE: You are referring to the figures at the bottom of page 2. We prepared the estimates for 1957-58 in October, 1956.

Looking ahead, we anticipated that we might recover \$6,260,000; but in actual fact, we found we had more paying patients than we expected, so we got back \$6,690,224.10.

Mr. McINTOSH: What was the answer to my question? Did you say that you had fewer war veterans allowance patients?

Mr. MACE: No.

Mr. LALONDE: No. There is a reduction in the number of national defence patients in our hospital. There is a downward trend.

They pay us for these patients, and this is the bulk of what we call recoverable costs. This is the money we receive from other departments.

Mr. McINTOSH: Leading up to my question on page 4 under war veterans allowance and under World War I, there is, roughly, an increase of \$700,000, from that \$42 million to \$41 million; there is a difference of \$700,000 odd, where it says: "Dual service". There is an increase of \$100,000 there.

Mr. LALONDE: That is correct. It is purely a question of more veterans ageing.

Mr. McINTOSH: You have said it will be five years before that figure comes down.

Mr. LALONDE: That is right.

Mr. HERRIDGE: As a result of difficulty experienced in this house and in the legislature, with estimates, and with this statement of appropriations and expenditures for the fiscal year 1957-58, I feel that the Department of Veterans Affairs has demonstrated a very close estimate, in my opinion, and care in expenditures, particularly when considering the great number of intangibles which the department has to face throughout the year, as well as in the future.

Mr. MACRAE: That is true. On page 7 you show a variance of only one per cent.

Mr. CARTER: What arrangement does the department have with the Canadian Corps of Commissionaires? Do you hire them on a contract basis from the corps, or do you pay them separately, and if so, is there any variation in the salaries paid? Are they paid on a rank basis?

Mr. LALONDE: Yes, Mr. Carter. The commissionaires, who are not departmental employees, are paid through the corps itself. In other words, our department pays the corps, it does not pay the individual.

Mr. CARTER: You contract for a certain number of commissionaires?

Mr. LALONDE: That is correct. We contract for a certain number of posts for a certain number of hours for each post. We do not say we want six commissionaires. We say we want three posts covered either eight hours a day or 24 hours a day; we multiply the number of posts by the number of hours, and the treasury board lays down the rate at which this service will be paid to the corps.

The rate which is laid down by the treasury board is on the same basis as the rates which they lay down for prevailing rate employees. In other words, they pay the going rate locally for the same type of labour so that the commissionaires will not price themselves out of a good market.

You must remember that 50 per cent of the commissionaires are employed by outside employers, and 50 per cent are employed by the government.

Mr. HERRIDGE: Mr. Chairman, I think in fairness to the officials and to the *Hansard* staff we should adjourn at this time.

The CHAIRMAN: Before we adjourn, what are your wishes about this afternoon? Shall we carry on at 3.30 in room 118?

Agreed.

THURSDAY, July 10, 1958.
3.30 P.M.

AFTERNOON SESSION

The CHAIRMAN: We have a quorum, gentlemen, and when we adjourned at noon we were considering some general questions. I think perhaps we will proceed along those lines until we have cleared the air once again.

Do you have any further questions or if we have any answers. I think we have now some answers.

Mr. MACE: I have one answer, Mr. Chairman. Mr. Carter was interested in knowing the cost of our treatment service in Newfoundland last year, for 1957-58 and it came to \$291,226 as the total cost of our treatment service. I think you will be interested to know that we had an average number of 6 patients on departmental strength throughout the year.

There might have been more at one time and less at others but that was the average.

Mr. CARTER: This is for every day of the year?

Mr. MACE: For a whole of Newfoundland, yes.

The CHAIRMAN: Thank you, Mr. Mace.

Mr. CARTER: I am not sure whether this is a proper question or whether anybody is competent to answer it. With respect to the Corps of Commissionaires does the Department of Veterans Affairs have any connection with it at all? Do we make any grants to it, do we help in setting it up, or do we give it any assistance in any way?

Mr. BROOME: Mr. Chairman, while you are looking that up would it be in order to take our coats off?

The CHAIRMAN: Well, there is no reason why you should not be comfortable, gentlemen.

Mr. LALONDE: The answer to that, Mr. Carter, is that the department does not interfere in any way with the administration of the corps. As far as we are concerned we are just another user of the services of commissionaires. As I explained this morning we pay them a rate fixed by treasury board which includes a percentage destined to cover the cost of their administration.

A small proportion of the hourly rate goes to the corps not as a subsidy but a contribution to the cost of their administration.

Mr. CARTER: That does not come off their daily wages or hourly wages? Are their wages reduced by that amount?

Mr. LALONDE: You mean the wages of the individual?

Mr. CARTER: Yes.

Mr. LALONDE: No sir, that is added to the wage rate.

Mr. CARTER: Every department does that?

Mr. LALONDE: That is right, sir, that is laid down by treasury board. For instance, the rates vary between \$1.15 and \$1.50 per hour, and in addition there is a payment made to the headquarters of the corps varying from 9 to 30 cents per hour. The individual commissionaire gets a wage rate fixed by the treasury board, and in addition the headquarters of the corps gets so much per hour for each commissionaire and that enables them to administer the whole thing and to have their provincial boards.

Mr. CARTER: The Department of Veterans Affairs has no interest as an organization?

Mr. LALONDE: Not a controlling interest, sir, but we certainly are interested in them from the point of view of the fact that they employ older veterans.

Mr. CARTER: It is a purely veteran organization, isn't it?

Mr. LALONDE: Our interest is welfare.

Mr. CARTER: But your interest extends to it as individuals not as members of the organization?

Mr. LALONDE: Well, we are interested in the individuals because this corps helps solve a problem of employment of the older veterans.

Mr. CARTER: But the only financial assistance they get as a group is this 9 cents an hour?

Mr. LALONDE: From 9 cents to 13 cents.

Mr. CARTER: They get no special grant or service or anything like that?

Mr. LALONDE: No.

Mr. HERRIDGE: Could you assure the committee that all the members of the corps of commissionaires that are employed by the Department of Veterans Affairs are veterans according to the veterans preference clause in the Civil Servants Act?

Mr. LALONDE: I am not sure of that, Mr. Herridge. I think the corps has, from time to time, employed some former R.C.M.P.'s, to do some special work where they were employed as security guards. I do not think we as a department employ any of those but I know that some of their civilian contracts require men with experience in a security role and they hire some former C.M.P., for instance.

Mr. CARTER: In working out these wage rates, that is determined entirely by the treasury board, you do not have any consultations on that because it varies considerably from one area to another?

Mr. LALONDE: Well, yes, we quite often initiate reviews by the Department of Labour of what is the local rate paid for a similar type of Labour and we go to the treasury board and say, "We have had this surveyed by the Department of Labour, we think a change is indicated. Will you review your wage rates?" or "Will you review the rate for a specific area?" And they go ahead and do so.

Mr. CARTER: There is a considerable discrepancy between rates paid, say, here in Ottawa and in Toronto and Hamilton, I understand?

Mr. LALONDE: Yes. There is 15 cents an hour difference—\$1.10 in Ottawa and \$1.25 in Toronto.

Mr. CARTER: That is very difficult to understand, is it not?

Mr. BEECH: There are men in Toronto.

Mr. LALONDE: If you go to British Columbia it is \$1.50. This is based entirely on the law of supply and demand.

Mr. BROOME: Does the same variance apply to the members of parliament? That is not for the record.

Mr. CARTER: It should apply to their expenses.

Mr. LALONDE: If the rate paid in Toronto to commissionaires was too low then the veterans would not be interested in joining the corps of commissionaires and getting employment in that way because they could get better rates elsewhere.

Mr. CARTER: When you say "prevailing rates" on what classification do you base that prevailing rate, for what kind of job? All the commissionaires are mostly receptionists and guards are they not?

Mr. LALONDE: It is based on the wage rate for a similar type of employment outside: for instance, either security or night watchmen in industry. That is the type of work that the commissionaires do and it is based on the average rate being paid outside by average good employers.

Mr. CARTER: I was rather surprised to find there was such a big difference between Montreal and Toronto.

Mr. LALONDE: There is the same difference in all prevailing rate employees.

Mr. CARTER: You have no interest in the number of holidays they get during the year. Mr. Fleming on orders of the day answered a question in which he said there were nine days' holidays for prevailing rate employees and I presume the commissionaires would naturally be entitled to nine days' holidays a year.

Mr. LALONDE: The holidays are arranged entirely by the corps itself. You must remember that the corps receives so much for a certain number of employees in a year and if a commissionaire goes on holidays they have to continue to supply that service and they have to pay wages to do it. So they determine themselves what holidays they are going to give to their employees.

Mr. STEARNS: While we are on that subject, are there yearly holidays too besides their statutory holidays?

Mr. LALONDE: No, they work by the hour. We contract for so many positions at so many hours.

Mr. CARTER: That is what I am leading up to. Do you not think when you make your contracts with the commissionaires for so many positions that you should include some holidays with pay?

Mr. LALONDE: If these were contracts to employ a number of men probably we could, but we are not contracting to employ a number of men.

Mr. CARTER: You are getting out of it by doing it the other way?

Mr. LALONDE: We are contracting with the corps of commissionaires to give us a certain kind of service and I think that is the only relationship the corps will accept. They want to run their own unit.

Mr. SPEAKMAN: They are completely self-administered; the department buys a supply of help?

Mr. LALONDE: Yes; so much so that a lot of their contracts are outside the government field and they like it that way.

Mr. FORGIE: It is a fact, is it not, that many of the commissionaires are not veterans?

Mr. LALONDE: Oh, a very small proportion, very small.

Mr. FORGIE: Increasingly so now, is it not?

Mr. SPEAKMAN: Mr. Chairman, I have had some little dealings with the corps of commissionaires with a view to setting up a branch in the Yukon while I was there and one of their regulations is that the men must have served in one of Her Majesty's forces, so I think you will find the members employed are either ex-R.C.M.P.'s or have served in one of Her Majesty's services.

Mr. FORGIE: That is not all-inclusive because I know as a matter of fact up in my section of the country a lot of them are not veterans in the legal phraseology or description of the word "veteran".

Mr. LALONDE: I can assure you, Mr. Forgie, the percentage is very small.

Mr. HERRIDGE: If there were it would be very improper because there are plenty of veterans looking for jobs in the corps.

Mr. SPEAKMAN: There certainly are.

Mr. LALONDE: I would think they only do that when they require certain specific services from the employee, but not as a rule.

The CHAIRMAN: Does that complete that discussion? You have a question, Mr. Broome?

Mr. BROOME: I do not know whether this is the proper time to ask it or not, Mr. Chairman, or whether as an order. I would like your guidance. If possible I would like to know in regard to the merchant marine as to whether any cost studies have been made as to the probable cost of the merchant marine coming under federal legislation for wartime service.

Mr. LALONDE: Mr. Broome, we have made very extensive studies of that question. We have not a specific answer.

The CHAIRMAN: Any further questions on that point?

Mr. BROOME: Well, my information is that the merchant marine were engaged in, if anything, a more hazardous occupation and they were termed the fourth fighting arm of the service. Some of the stories from Mr. Carter's province are really fantastic as to the privation that the men endured and I have always felt it was a gap in our veterans' legislation that the merchant marine was cut off, and I was wondering if it was on a cost basis or if it has opened up a door to other groups who might not be so deserving. That is why I asked your direction because perhaps it is policy and should have been dealt with by the minister.

Mr. LALONDE: All I can say, Mr. Chairman, is that this question is not a new one. It was discussed in parliamentary committee as early as 1946, and subsequent committees discussed it also and the government never saw fit to declare the merchant marine or other groups to be veterans coming under veterans' legislation as former members of the armed forces.

Mr. BROOME: Even when they served under officers of the navy?

Mr. LALONDE: I am only stating what the policy is at the moment. I can assure you I have spent many hours studying all the aspects of the question. It is a very complex one.

Mr. MELVILLE: Mr. Chairman, there is a provision under the Civilian War Pensions and Allowances Act which makes provision for merchant seamen and they are pensionable for disability or death when such disability or death is the direct result of enemy action or action against the enemy, and there are quite a number of pension.

Mr. LALONDE: Those who come under the Civilian War Pensions and Allowances Act do get fringe benefits from that status, but I understood your question to mean: should they be considered as veterans for all purposes.

Mr. BROOME: That was my question.

Mr. CARTER: I was interested in that. I think our greatest interest in the merchant marine is getting them eligible for war veterans' allowances. The pension is taken care of under the civil disabilities scheme.

Mr. LALONDE: That would of course raise the principle, that if they come under the war veterans' allowance act why should they be veterans just for that purpose and not for others. As I say, it is not a question you can decide—

Mr. CARTER: They are veterans in a sense. We give them a medal, we say in time of war they can wear medals the same as any veteran.

Mr. LALONDE: I think we will be discussing this later on.

Mr. BROOME: It is a subject which is of interest to both coasts.

Mr. HERRIDGE: Mr. Chairman, is not the merchant marine association to be given an opportunity to appear before the committee?

THE CHAIRMAN: There is a tentative request. They have not indicated their desire, not confirmed their desire or wish to appear, but we are corresponding with Mr. Heide at the moment.

Mr. LOCKYER: Mr. Chairman, that opens up another question. I have had a good deal of correspondence from a man who volunteered in the Battle of Britain in the fire brigade. He claims they should have some rights under the Veterans Pensions Act.

Mr. LALONDE: And there are quite a few other groups.

Mr. LOCKYER: I presume there are some other groups.

Mr. HERRIDGE: Have you heard from the firefighters' association?

THE CHAIRMAN: No, no request from the firefighters' association, Mr. Herridge.

Mr. CARTER: Well, this is all about what is a veteran and what is not a veteran. It is only a bunch of words until we put it into the act. We say a veteran is so and so, but saying that does not make a veteran just because we have written lots of words in respect to them. There are lots of veterans who have worn uniforms and gone over to France, played a game of football, went back and they can get war veterans' allowances. I know cases, and as long as you were in a theatre of war that is what matters.

Mr. GARNEAU: May I make a slight correction? If he was taken on the strength of that unit and in a theatre of actual war, but bandsmen and visiting entertainers are not considered as veterans.

Mr. CARTER: I am not talking about visiting entertainers; I am talking about a fellow who was in a unit and because he was in the unit that unit went over to play a game of football and he was selected out of that unit, and that is a fact, because he left England to play football he could get the war

veterans' allowance and the merchant seamen, who risked his life floating around the ocean half a dozen times cannot get it.

Mr. WINKLER: In that particular case I think a little clarification is required on what you said. He may have gone over somewhere to play a game of football but nevertheless he was well qualified as far as the act is concerned by his service in England.

Mr. CARTER: No, this is before we endeavoured to get the act amended, the fellow who only went to England could not get anything. If his service terminated in England he was not eligible for pension because he had not been in a theatre of war.

Mr. SPEAKMAN: That is World War I.

Mr. CARTER: I am talking about World War I and there are still veterans of World War I.

THE CHAIRMAN: Gentleman, I think Mr. Broome raised this question originally

Mr. BROOME: I apologize.

THE CHAIRMAN: All answers have been given in parliament by the existing legislation and as I understand it the existing legislation is such that merchant navy men do not receive benefits as veterans. I think Mr. Carter is making statements rather than asking questions.

Mr. CARTER: I will put it in the form of a question. Is not the only difference between the merchant navy veterans and other veterans the fact that we have not written a definition in any statute book describing what a merchant marine veteran is?

THE CHAIRMAN: I think the status is quite clearly defined in the Civilian War Pensions Act.

Mr. BEECH: I think we had better get on safer ground, Mr. Chairman.

THE CHAIRMAN: We do not want to cut off any discussion on this point, but we can only discuss it in the light of the existing legislation. Certainly we will be hearing representations from these groups and then it will be up to parliament to decide if any changes should be made.

Mr. WINKLER: I would certainly suggest that we wait until we hear those representations and then have a discussion.

Mr. LALONDE: I think possibly at that time more information will be available to you, as a result of our studies of the problem.

THE CHAIRMAN: This is a standing committee, I would remind you, gentlemen. We will be meeting every session of parliament and there will be a continuing discussion on all these points.

Mr. Forgie has a question?

Mr. FORGIE: No, I have nothing.

THE CHAIRMAN: On this matter of general questions—Mr. MacDonald?

Mr. MACDONALD (*Kings*): I have a question for the veterans' Bureau. There was mention in the deliberations earlier there was additional service—

THE CHAIRMAN: We are opening up Veterans' Bureau now?

Mr. MACDONALD (*Kings*): Yes.

THE CHAIRMAN: Have we finished on other points? Before we get to the question under item 480 I think the chief pensions advocate, Brigadier Reynolds has a statement. No. 480 has been called now.

Mr. P. E. REYNOLDS: (*Chief Pensions Advocate, Department of Veterans Affairs*): Mr. Chairman and gentlemen, I am the chief pensions advocate and in charge of the administration of the Veterans' Bureau. The Veterans'

Bureau has been in operation since 1930 and is authorized by the present section 11 of the Pension Act. It is a branch of the Department of Veterans Affairs and is completely independent from the service bureau of the Canadian Legion or other veterans' organizations and is also equally independent of the Canadian Pension Commission.

Its duties are prescribed by the act, and may be summarized thus: to assist and advise applicants for pension or other relief under the Pension Act with regard to all phases of pension law.

These duties are carried out by means of a head office staff at Ottawa and by district pensions advocates and appropriate staffs in all the district offices.

The number of advocates employed in a district ranges from part-time advocates in some of the smaller districts to four full-time advocates in some of the larger ones. All the advocates are members of the legal profession with the exception of three, and these non-legal advocates, by virtue of a great many years of experience in the work of the bureau, are very efficient in their work.

I have, Mr. Chairman, a list of all the pensions advocates across Canada and their addresses, and I would be pleased to table it.

The CHAIRMAN: We have a list of all the advocates. Would it be helpful to have this printed in our record? I think as an appendix would be better.

Mr. REYNOLDS: The bureau endeavours to give pension applicants free of all charge exactly the same kind of service as litigants would have the right to demand of a law firm representing them in civil litigation.

It is the policy of the bureau that the district pensions advocate, who is in direct contact with the applicant, is responsible for the preparation and presentation of the claim throughout. The head office staff is available to advise and assist him.

The work of the bureau commences as soon as an applicant contacts an advocate. This may be before any claim is made or it may be after the claim has received one or more hearings by the commission. The duty of the bureau at each of these hearings is to do its utmost to find and to present to the commission all available relevant evidence.

This entails reviewing the service documents which are available to the bureau as well as service records, the post discharge documents and the departmental files.

The Pension Act provides that a summary of evidence must be prepared and supplied to the applicant with certain very minor exceptions in all claims prior to a second hearing or an appeal board hearing. The statute places the responsibility for the preparation of this document on the bureau in all cases. That is even if the bureau is not representing the applicant, the bureau is still responsible for the preparation of the summary of evidence. The preparation of this summary is an extremely exacting and important duty which requires the examination of all the relevant service documents, post discharge documents and their summarization. That is, it is up to the bureau to find all the documents available and then summarize them.

These summaries are actually prepared by the district pensions advocate, the head office staff assuming the responsibility of ensuring that he is supplied with copies of all relevant documents.

One of the most important duties performed by the district pensions advocate is the preparation and presentation of claims before appeal boards. At these hearings, viva voce evidence is produced and the advocate appears at the hearings as the applicant's counsel. As the decision of an appeal board is a final one, the advocate is required to take every possible care that all available evidence is placed before the board. At these hearings the commission is not represented by counsel so the bureau recognizes the duty to the commission to make full disclosure of all relevant evidence in its possession.

The Pension Act provides that under certain circumstances an appeal board decision may be reopened. Applications of this kind are now quite numerous and presentation of these applications to specially designated appeal boards is one of the duties performed by the advocates on the head office staff.

The issues in a great many pension claims are medical ones and advocates are required to secure medical evidence. In this regard the bureau is most grateful to the director general of treatment services, Dr. Crawford, for his cooperation in securing for the bureau the opinions of outstanding specialists right across the country. The bureau simply could not function efficiently without this assistance.

This, Mr. Chairman and gentlemen, is an outline of the work done by the bureau.

I will be pleased to answer any questions.

The CHAIRMAN: Thank you, Brigadier Reynolds.

Mr. MACDONALD (*Kings*): Would Brigadier Reynolds explain what additional legal services might be available to a veteran applying for a pension. I think it was mentioned during one of the earlier committee meetings that there were additional legal services besides those provided by the Pension Act.

Mr. REYNOLDS: Well, the other organizations that provide assistance in the preparation of pension claims are the Canadian Legion—

Mr. MACDONALD (*Kings*): No, I am sorry; perhaps I misunderstood the observation previously, but I thought someone in the department said there were additional legal services to that provided by the pensions advocate, if necessary.

Mr. REYNOLDS: Within the department?

Mr. MACDONALD (*Kings*): Yes.

Mr. REYNOLDS: There is no other assistance within the department with respect to pension claims, other than the veterans bureau. There is a legal director.

Mr. MACDONALD (*Kings*): You hire additional personnel if needed.

Mr. REYNOLDS: The applicant is quite free—

Mr. MACDONALD (*Kings*): On behalf of the applicant?

Mr. REYNOLDS: The department will not do that; but the applicant is quite free to get outside counsel at his own expense to assist in the preparation of the pension application.

Mr. ROGERS: I would like to ask Brigadier Reynolds whether this counselling and legal advice in preparing these applications is available for a veteran who is applying for war veterans allowance, or his widow?

Mr. REYNOLDS: Our only function is claims under the Pension Act—not war veterans allowance.

Mr. HERRIDGE: Mr. Chairman, that raises an interesting point, particularly under certain circumstances. I wonder if it would be advisable to have the veterans bureau assist the veterans in the preparation of their war veterans allowance application.

Mr. LALONDE: This is done by the welfare services, Mr. Herridge.

Mr. HERRIDGE: It is completely done by them?

Mr. LALONDE: Yes, at the moment this is the bulk of their work.

Mr. HERRIDGE: I know there is a great deal of it; but I was wondering if, dealing with the war veterans allowance, there would be the number of legal applications there would be under the Pension Act.

Mr. LALONDE: It is mostly a question of establishing service eligibility, which is fairly straightforward, and then to establish eligibility under the

means test. Those are the two things which count, under the War Veterans Allowance Act.

Mr. HERRIDGE: Yes I can see that now.

Mr. LALONDE: A pension claim is much more complicated because you have to present evidence to something that is akin to a court.

Mr. ROGERS: Well, I have in mind a widow, a very nice lady too. I have talked this case over with Mr. Garneau and I think there are isolated cases where legal advice would be a lot of help. This lady was left a widow and her husband did not divulge certain income that he had while he was receiving war veterans allowance. When he died, of course, she was forced with having to make up this over-payment and as a result the estate was frozen. I do not think that estates should be frozen. There should be some way of putting a lien against the estate for the overpayment because it is about five months now since this happened. She is living on fresh air and needs all the help she can get. That is an isolated case. I think that legal advice would be of great help to her. I just want to put that on record because there are two or three of those cases. I do not see why an estate should be frozen for five months. I know that there is a lot of investigation to be made but still that does not help the widow any.

Mr. GARNEAU: I am not contradicting anything that Mr. Rogers has just stated, but the point I wish to make is that I just saw that case a few days ago. That all came to light last February after the death of the husband. Investigations had to be made which brought to light the exact amount of the estate and so on and so forth. The amount of the over-payment could only be set just very recently. The pension commission, from another angle, I believe, is interested in that case. But keeping it to war veterans allowances, at the present time we are looking over that case just to confirm the amount of the over-payment. I was telling Mr. Rogers this morning that it was my intention to have a chat with our legal division to see whether they could not release some of the money, or discuss it. We did not get around to it because we only spoke about it this morning. So, I expect that in a few days we shall be able to find out all about it. I believe that there was no undue delay. It was just one of those cases, like a case in court which requires a certain amount of preparation to bring out the facts with which to deal.

Mr. ROGERS: You will agree that there is not much satisfaction to the widow. After all her husband died in January and it is now July.

Mr. LALONDE: That may be true, Mr. Rogers, but the chairman of the War Veterans Allowance Board points out to me that we are not handling this estate. This estate must be handled by the public custodian and therefore the only thing we can say to the public custodian is that we have a claim for so much and then it is up to him to take the necessary action to dispose of the estate. And even if we were to supply legal services, we could not replace the public custodian and we could not force his hand.

Mr. ROGERS: It still takes a long time.

Mr. LALONDE: Yes, I am afraid that there are certain types of cases where you just cannot get a solution within a couple of weeks or even a month.

Mr. HERRIDGE: I see that in British Columbia there are, according to this list, five veterans advocates; four on the mainland and one on the island.

Mr. REYNOLDS: That is true.

Mr. HERRIDGE: Well, do you find that that is a sufficient number of advocates to service the applications for assistance in a reasonable time?

Mr. REYNOLDS: Yes, I think that Vancouver is very well supplied with advocates. In fact, they probably have one more at the moment than the establishment provides for. One of the advocates in Vancouver is what we describe

as a trainee. As soon as an opening comes up in the establishment elsewhere, it is possible he will be moved from Vancouver so you will only have three advocates.

Mr. HERRIDGE: When you speak of Vancouver, I always think in terms of the more important part of the province, the interior; but you mean they are centred in Vancouver?

Mr. REYNOLDS: Yes. The work in the Vancouver office of the bureau is kept very well up to date; it is one of the best offices we have in that respect.

Mr. LOCKYER: Mr. Chairman, could I ask Mr. Reynolds if this means that our solicitors and professional men take on cases outside of the work they are doing for the government in this respect?

Mr. REYNOLDS: The full-time advocates do not; the part-time advocates are, of course, in private practice and only devote part of their time to the duties of the bureau.

Mr. HERRIDGE: What would happen in a case like this: a veteran's advocate is visiting an isolated part of the province in connection with his duties and he discovers someone there who is seeking advice in respect to an application for a war veterans allowance; is there mutual assistance in those circumstances?

Mr. REYNOLDS: Yes. I get reports from the district pensions advocates regarding the visits they make to other centres and the people they interview. I notice particularly on Vancouver island about half the people the advocate interviews on the island are with reference to war veterans allowances.

Mr. HERRIDGE: I am glad to hear that.

Mr. CARTER: Do you mean to say the advocates travel around the province?

Mr. REYNOLDS: Yes, most of them do.

Mr. CARTER: Is that the ordinary procedure?

Mr. REYNOLDS: We encourage them to travel as much as they consider necessary.

Mr. CARTER: Would they have a list of veterans whom they would be looking for in order to assist with their pensions?

Mr. REYNOLDS: Well, the way it usually happens is that some veteran writes to the advocate from some distant point and the advocate writes back and says, "I expect to visit such and such a place near to where you live at some particular time. I suggest you come in and see me when I am there." The advocates also write to the local branch of the legion at the centres where they propose to visit. They ask the Legion branches to publicize the visits and find out what veterans wish to be interviewed, so the advocate can take the file with him when he goes to that particular place. It is a lot easier to intelligently interview an applicant if you have the file before you.

Mr. CARTER: Are these advocates all full-time personnel?

Mr. REYNOLDS: No, I can tell you the ones that are not. They are marked P.T. with an asterisk at the bottom.

Mr. CARTER: P.T.?

Mr. REYNOLDS: Yes.

Mr. HERRIDGE: Do you get excellent cooperation from the Legion branch?

Mr. REYNOLDS: We receive very good cooperation. There is a good feeling between the bureau and the Legion.

Mr. BEECH: I wonder if anyone here can tell us whether a higher percentage of applications have been granted since you adopted the policy of employing legal people instead of the ordinary barrack room lawyer?

Mr. REYNOLDS: I doubt whether there are any statistics on that particular aspect of the case.

Mr. BEECH: I was just wondering whether it was worth while making the change.

Mr. REYNOLDS: They always did have a sprinkling—

Mr. LALONDE: I must explain to the committee that Mr. Reynolds has been the chief pensions advocate for only the last two years. The bureau has always been staffed by a majority of legally trained men.

Mr. HERRIDGE: That does not detract from the diligence and hard work that many of these old-timers did before the policy was changed.

Mr. LALONDE: No.

Mr. HERRIDGE: I know they put a lot into it, even though they did not have the legal training.

Mr. REYNOLDS: Some of the best advocates we have are non-legal.

Mr. LALONDE: Because of their background too. Of course, it takes a lot longer for a man who is not legally trained to acquire the background they have.

Mr. BEECH: The pension commission must be pretty tough when you have to obtain legal people to fight it.

Mr. STEARNS: When these advocates eventually reach the end of their term of office are they covered under your civil service pension plan?

Mr. REYNOLDS: They are civil servants.

Mr. CARTER: Where do you draw the line between a full-time and part-time advocate?

Mr. REYNOLDS: It all depends on the work load at the particular centre; if there is enough work to keep a man there full time he would be a full-time advocate.

Mr. CARTER: Have you any particular number of cases in mind; do you base it on the number of pensioners or the number of cases being appealed, or how do you do it?

Mr. REYNOLDS: We can tell pretty well by comparison with other districts which are handled on a part-time basis. We obtain statistics of the number of interviews, letters written, applications made and appeal board cases prepared, and on that basis we compare one district with another and have a pretty good idea how much work a full-time man can perform.

Mr. CARTER: Do these part-time advocates move around, or do they remain where they are?

Mr. REYNOLDS: It is more difficult for the part-time advocate to travel than it is for the full time, but some of the part-time advocates do some travelling.

Mr. HERRIDGE: What are the terms of the engagement of the part-time man carrying on other legal work?

Mr. REYNOLDS: He is supposed to give 50 per cent of his time to the work of the bureau. We pay him \$3300 a year.

Mr. LOCKYER: Mr. Chairman, could I ask Mr. Reynolds what percentage, since the veteran has his choice of making an appeal himself or going through an advocate, of these cases are appeals made by the advocates?

Mr. REYNOLDS: Practically all the appeals to the appeal board are presented by the veterans bureau. Occasionally an outside counsel appears. At Halifax the Canadian Legion has a man who sometimes appears on some cases and in Vancouver the disabled veterans association has an advocate who sometimes appears. However, in all other places practically all the work of appeal boards is done by the veterans bureau.

Mr. CARTER: Are these part-time advocates granted travelling allowances?

Mr. REYNOLDS: Anyone who travels has his expenses paid.

Mr. LOCKYER: Mr. Reynolds mentioned the appeal board, but I am talking about the application for a pension right from the start.

Mr. REYNOLDS: There are quite a few applicants who do not come to the bureau in the first instance. We sometimes get them after the first decision has been made. Sometimes the Legion handles the case at the first and second hearings by the Canadian Pension Commission, and we get it after that.

Mr. LOCKYER: I presume we receive a percentage of the ones turned down?

Mr. REYNOLDS: Yes.

Mr. CARTER: I would still like a little more specific information about the work load of the part-time advocate, because I notice the only two provinces in all Canada that have a part-time advocate are Newfoundland and Prince Edward Island.

Mr. REYNOLDS: That is not quite correct; North Bay has one.

Mr. CARTER: North Bay is not a province.

Mr. REYNOLDS: North Bay and Kingston.

Mr. CARTER: They are not provinces.

Mr. REYNOLDS: It is a district.

Mr. CARTER: I am talking about provinces; there are ten provinces in Canada, and Prince Edward Island and Newfoundland are the only two provinces that have a part-time advocate.

Mr. REYNOLDS: That is correct.

Mr. HERRIDGE: And no others?

Mr. CARTER: And nothing else; just one part-time advocate?

Mr. REYNOLDS: I should explain the part-time advocate you have in Newfoundland is on a different basis to any of the other part-time advocates, because the work load in Newfoundland was considered to be such that he did not need to be on the same basis as the other part-time advocates. He neither receives the same salary nor is required to put in as much time.

Mr. CARTER: How does he compare with the others then; does he get half or quarter of their salary?

Mr. REYNOLDS: He receives a little more than half of what the others receive.

Mr. CARTER: Well, can you give me some definite idea in order that I can make some comparisons? What do you consider a work load for a full-time person; how many cases, how many pensioners or how many veterans, or whatever way you can best present it?

Mr. REYNOLDS: I consider the work load for a full-time pensions advocate would be enough work to keep that advocate working all day. The number of cases that one advocate can handle is not necessarily the amount that another one could handle. It is determined by a lot of different factors. If here are a lot of different interviews, more of his time is taken up with interviewing rather than in writing letters. I think he would handle fewer cases than the man who does most of his work by correspondence.

There are so many different factors that each district has to be considered on its own merits.

Mr. CARTER: The thing that strikes me about it in Newfoundland is that since Newfoundland has been in confederation for only nine years, and since all this administration of the act and all the departmental work has been completely new to our people—we knew nothing about it—surely here is a

place where we need more advocates, and a place where you should have somebody travelling around to interview people and to make them acquainted with their rights and what they can do.

I think the needs of Newfoundland in this respect are even greater than the needs of places which are fully familiar with the set-up.

Mr. LALONDE: That would be done by the welfare officers who travel around the country.

Mr. CARTER: I thought that the welfare officer did not do anything about pensions.

Mr. LALONDE: Yes. He can tell the veteran what to do if he has a claim for a pension, and he does advise him.

Mr. CARTER: Please don't get me talking about your welfare officers in Newfoundland, because most of the welfare work there is done by Newfoundland welfare officers through the provincial welfare branch.

Mr. LALONDE: Geographically the situation in Newfoundland is rather extraordinary and creates some problems which do not exist anywhere else. I think you are fully aware of that.

You were asking about comparisons. The chairman of the pension commission filed a report before the committee this morning which shows that during the fiscal year 1956-57 Newfoundland had 17 cases which went to appeal, New Brunswick had 76, Quebec had 340, Ontario had 625, Manitoba had 80 and British Columbia had 174.

This shows the percentage of the volume of work in each province.

Mr. CARTER: How many were there in North Bay?

Mr. LALONDE: North Bay is included in Ontario.

Mr. CARTER: That is different; there is quite a difference between Ontario and North Bay. You give the Ontario figures and you separate North Bay out as part time.

Mr. LALONDE: We work according to districts. You asked your question relating to provinces. When Mr. Reynolds tried to answer you in terms of districts, you said you wanted it in terms of provinces.

Mr. MELVILLE: During 1956-57 there were 55 cases completed with respect to North Bay of which 25 had favourable decisions and 34 unfavourable. There were 55 cases in the year for North Bay.

Mr. CARTER: As compared to what?

Mr. MELVILLE: Seventeen in Newfoundland. The details you requested will be found in the appendix to today's proceedings.

Mr. BATTEN: Might I ask Mr. Melville this question: are there ever any appeal boards held in one province for another? I am thinking about cases on the west coast of Newfoundland where they might more easily be held in Halifax than in St. John's.

Mr. MELVILLE: Maybe the odd case. In the same way as the commission, on a request from the veterans bureau, will hold a pre-hearing, and hear evidence. Then the applicant will take his evidence before the main hearing himself which would take place in Newfoundland. After that we would have a post-hearing at some place which is convenient to the witness to make sure that the applicant has the benefit of hearing all the witnesses that he wishes to bring forward in support of his claim.

Sometimes the main hearing has been heard outside of the province, but that is most unusual. I can only think of one case where it would otherwise have worked a very severe onus, and where we did it for him.

Mr. CARTER: In order to keep the record straight, according to Mr. Melville's figures there were 54 cases at North Bay compared to 17 in Newfoundland. There is a big difference there. Those 54 cases at North Bay were Canadian veterans, while the 17 from Newfoundland—I suspect a good many of them had first of all to apply to the British Ministry of Pensions because they are not regarded under the act at the present time as Canadian veterans.

They are neither fish, flesh nor good red herring.

The CHAIRMAN: Are they not allied veterans?

Mr. CARTER: Nobody knows what they are. They are not British veterans, because the British do not recognize them as such, and they are not Canadian veterans. They are second war people too, yet they are nothing.

So those two figures are not exactly comparable. I rather suspect that if the position were changed and if "Newfoundland veteran" were to be defined in the act with the same definition as "Canadian veteran", you would perhaps have more work and more cases for your pension advocates.

Mr. REYNOLDS: If we thought these was a necessity to put in a full time pensions advocate in Newfoundland we would be very happy to recommend it.

Mr. CARTER: A lot depends on the present situation.

Mr. MELVILLE: May I elucidate the point: in World War I Newfoundland had her own forces. She had the Newfoundland Regiment which established a magnificent reputation in World War I.

But in World War II the situation was different. Newfoundlanders who wished to undertake service enlisted in the forces of Her Majesty. Therefore the service was performed with Her Majesty's forces, and if disability or death were incurred, then the responsibility for pension rested on the British government.

Union of Newfoundland with Canada took place on the 1st April, 1949. At that time provision was made for these Newfoundland veterans, and under the terms of union it was laid down that Canada should take over Newfoundland's pension responsibility as it existed on the 1st April, 1949.

There is provision in the Pension Act whereby if a claim is rejected by the British ministry—and the British ministry's basis of entitlement is, let us say, much more strict than is the Canadian, because it has to relate to the performance of duty, whereas under the Canadian legislation it has to be incurred on service, which is much broader.

Under an amendment to the act it was provided that if a claim is made by a Newfoundlander who served in the British forces in World War II, and that claim is rejected, he may then make a claim to the Canadian Pension Commission that his disability was incurred or aggravated during his service.

But initially he must submit his claim and have it dealt with by the British authorities.

Mr. CARTER: That is true. I am not saying that it is not right. But I do say that the Newfoundland veteran is in a very different position from that of any other veteran in Canada.

Mr. MELVILLE: No. Canada has any number of Canadians who were domiciled in Canada at the outbreak of World War I. We also have any number of Canadians domiciled in Canada for three years immediately preceding World War II.

These men served with the forces of Her Majesty or those of Her Majesty's allies, and if they incurred disability or death, their award is paid by the country with which they served, and it is supplemented by us through Canadian legislation. So they are not in an inferior position to any Canadians.

In fact, the Newfoundlander in some respects is in a better position.

Mr. CARTER: And in some cases he is worse off, if he is granted entitlement and assessed at nil. In that case he is worse off than if he had been rejected.

Mr. MELVILLE: Mr. Carter's point is one which is often considered.

Mr. CARTER: The more often it is considered, the better!

Mr. WEICHEL: May I ask Mr. Melville if there is a new appointment as pensions advocate, would that position come under the Civil Service Act, while the appointment of a part time advocate would not?

Mr. REYNOLDS: The part time man comes under the Civil Service Act as part time, and the full time man comes under the Civil Service Act, of course, immediately he is employed.

Mr. WEICHEL: In the post office, however, the part time man does not come under the civil service.

Mr. REYNOLDS: Yes, the part time advocate is employed by the civil service.

Mr. BEECH: It would seem that they are going to change the name of these pension advocates according to the way the item is set out. Is that right?

"Pensions advocate" is set out as solicitor. Is there an intention to change the name?

Mr. REYNOLDS: No, there is no intention at the moment to change the name.

Mr. LALONDE: As I have explained, this is done because we have lawyers working in the legal services of the department and we have lawyers working in the veterans bureau.

Instead of having a civil service classification for one group, and another classification for another, we put them all in the same classification for purposes of the Civil Service Commission and for the purpose of establishing their salary rates.

But one group is working in the legal services and we call them departmental solicitors, while the other group is working for the veterans bureau and we call them pension advocates.

Mr. BEECH: There is no allowance made for pension advocates, and that is what I was wondering about.

Mr. LALONDE: What do you mean?

Mr. BEECH: The amount is shown for 1957-58 and there is nothing shown here for 1958-59.

Mr. LALONDE: In the book of estimates for the year 1957-58 you will find there were a number of pension advocates of various classes. For instance, if you look at page 609 of the blue book you will see we had two pension advocates, grade 5; two pension advocates, grade 4, and so on. For the purpose of the estimates for the year 1958-59 they are shown as, one solicitor, grade 6 five solicitors, grade 5, and so on. In other words, we only changed the classification but the bodies still remained.

Mr. BEECH: Thank you.

Mr. HERRIDGE: Do you process any claims on behalf of former members of the nursing services, or the women's army corps?

Mr. REYNOLDS: Yes, we have at least one claim that I can think of for an ex-nurse in the course of processing now. Frequently we have claims from ex-C.W.A.C. personnel.

Item agreed to.

The CHAIRMAN: That concludes the consideration of the estimates with the exception of item 473, departmental administration. We have held item 47

entirely open up to the present moment in order to make it possible to ask questions having reference to any branch of this department.

Mr. SPEAKMAN: Mr. Chairman, have we finished with item 499, terminable services?

The CHAIRMAN: Yes, we completed that item some time ago, Mr. Speakman.

If we refer the estimates of this department to the House of Commons it will expedite the business there considerably. What are the wishes of the committee in this respect?

Mr. HERRIDGE: Mr. Chairman, what effect will our referring these estimates back to the House of Commons have on the various groups who wish to make representations, keeping in mind the orders and procedures of the House of Commons?

The CHAIRMAN: In that regard, I think we will leave it up to the committee to decide.

Mr. HERRIDGE: If necessary, I suppose this committee can be provided with a new reference?

The CHAIRMAN: Yes. We do not want to exclude anybody who has a representation to make but I think it would facilitate the business of the House of Commons, at this late date, if we could refer these estimates back to the committee as a whole so that the estimates of this committee can be taken under consideration whenever an opportunity arises.

I must stress the fact that we do not wish to exclude anyone who has something to bring to the attention of this committee.

Mr. CARTER: Will the minister be appearing in regard to item 473?

The CHAIRMAN: What are your wishes in that regard?

Mr. HERRIDGE: Has Mr. Carter something particular in mind?

Mr. CARTER: Yes. I could very well ask the questions I have in mind in the House of Commons. It has been very difficult for me to attend all the meetings of this committee because they have overlapped with meetings of the estimates committee. I could not be in two places at the same time.

The CHAIRMAN: It is quite true that you can refer to matters in which you are interested in the House of Commons if that is satisfactory to you.

Mr. CARTER: There would not be much point in bringing the minister back before this committee unless there were a number of general questions to be answered.

Mr. BROOME: Mr. Chairman, I think we should refer the estimates back to the House of Commons.

Mr. BEECH: I second that motion.

Mr. HERRIDGE: Just before we carry item 473, I would like to ask a question of Colonel Lalonde which I should have asked of Brig. Melville earlier. Unfortunately I am reaching the age when I think of things about 24 hours late. I am sure that Colonel Lalonde would have some information in regard to the question in which I am interested.

For many years, particularly in certain parts of British Columbia, there has been a strong demand for the revision of the acreage allowed on small holdings. The allowable minimum at one time was a quarter of an acre. This minimum has been raised. Has the department given this matter consideration, and would the deputy minister say from his experience if the present acreage regulations deny a number of veterans the opportunity to settle under the small holding section at the present time?

Mr. LALONDE: This depends a great deal, Mr. Herridge, on how you look at the establishment under part one of the act by comparison with part two.

Part one, as you know, deals with full-time farming, and part-time farming. It is in respect of the part-time farming establishment that the minimum two-acre regulation was established.

This regulation was established with the idea that unless you had at least two acres you could not do part-time farming. The part-time farming feature of the Veterans' Land Act was enacted so that veterans could re-establish themselves by adding to their income.

With respect to straight housing the minimum requirement of two acres per establishment would present great difficulties. However, apparently the government has always felt that part one was not a straight housing project and that is why parliament approved, a few years ago, part two of the act whereby a veteran can begin a house building project without a minimum acreage requirement.

As you are aware, under part two, as long as a veteran has got the money and the place to build a house, whether it involves half an acre or a quarter of an acre, it does not make any difference. However, I think this is a matter which will be discussed at the next session in view of the fact that the minister has indicated that he proposes to ask for some amendments to the Veterans' Land Act.

I would suggest that it would perhaps be appropriate if you waited until you had an opportunity of looking at the whole picture to determine whether it is desirable to change the terms of reference under part one or not.

Mr. HERRIDGE: Thank you.

Mr. CARTER: Before we carry this item I wonder if Brig. Reynolds would tell us whether a pensioner's advocate's duties are restricted solely to pension fields?

Mr. REYNOLDS: No, a pensioner's advocate handles the preparation of pension groups of all types at all stages.

Mr. CARTER: Thank you.

Item agreed to.

The CHAIRMAN: We have now completed our consideration of the estimates.

Thank you gentlemen for your diligent attendance and interest. We have had a quorum at all times and have been able to start on time on every occasion.

I would also like to thank the departmental officials who have come forward on these numerous occasions with helpful information. I think you will agree this has been a good orientation in the experience of all of us.

Before the committee concludes I would just like to make one further remark. We have had a visitor in our midst this afternoon from the city of Winnipeg in the person of Mr. Albert Yetman, who is a pensions advocate of the old school. We are glad to see you here this afternoon, Mr. Yetman. Mr. Yetman is enjoying a busman's holiday. He is actually on vacation but he happened to be in the city and sat in this afternoon to listen to the committee's deliberations.

I would like to say this, however, that he was active as a soldier's advisor long before the veterans' bureau was established and has served very well and faithfully in that capacity since 1930. He is a very sincere and conscientious gentleman. I know that he has been of great help to me when I brought veterans' problems to his attention.

Mr. MELVILLE: I can support that statement, Mr. Chairman.

The CHAIRMAN: It is too bad that we were not able to call Mr. Yetman as a witness. I am sure we would have received some interesting answers.

Mr. CARTER: Is it intended that we have other organizations appear before this committee?

The CHAIRMAN: We have at the present time a tentative request from the Merchant Navy to be heard and a tentative request from the War Amputations of Canada to be heard. I trust these organizations will confirm these requests within the next week and I will report in that regard at our session next Thursday morning.

The Canadian Legion will be appearing before this committee next Thursday morning with reference to the amendments to the two bills.

Our next session will be a week from today at ten o'clock. We are not aware of the room in which it will be held but it will be announced.

Mr. CARTER: The next meeting is next Thursday morning?

The CHAIRMAN: Our next meeting will be Thursday morning, a week from today, at ten o'clock. We will be considering the two bills that have been referred to this committee at that time.

The committee adjourned.

APPENDIX "A"

DEPARTMENT OF VETERANS AFFAIRS

Veterans Bureau
Pensions Advocates

HEAD OFFICE

Mr. P. E. Reynolds
Mr. E. V. Wilson
Mr. H. R. D. Harris
Mr. J. Chaloult, Q.C.
Mr. D. F. Kennedy
Mr. F. S. Morris (attached to
Ottawa District)

OTTAWA, Ont.

Mr. E. W. Day, (LL.B.)
No. 8 Temporary Building,
Carling Avenue,
Ottawa 1, Ont.

NEWFOUNDLAND

Mr. F. A. O'Dea, (B.A., B.C.L.) *PT
P.O. Box 242,
St. John's Nfld.

KINGSTON, Ont.

Mr. W. G. Cunningham, (B.A.) *PT
Richardson Building,
Kingston, Ont.

CHARLOTTETOWN, P.E.I.

Mr. A. H. Peake, (B.A., B.C.L.,) *PT
P.O. Box 1300,
184 Richmond Street,
Confederation Building,
Charlottetown, P.E.I.

TORONTO, Ont.

Mr. M. A. Searle,
Mr. B. J. Legge, (B.A.)
Mr. J. W. Stark, (B.C.L.)
55 York Street,
Toronto 1, Ontario.

HALIFAX, N.S.

Mr. G. P. Coleman, (B.A., LL.B.)
Mr. G. R. Burke, (B.A., B.C.L.)
Camp Hill Hospital,
Halifax, N.S.

HAMILTON, Ont.

Mr. L. G. Latchford, (B.A.)
National Revenue Bldg.,
Main & Caroline Streets,
Hamilton, Ont.

LONDON, Ont.

Mr. F. S. Gregory, (B.A., LL.B.)
Mr. J. M. O'Connell, (B.A., LL.B.)
201 King Street,
London, Ont.

SAINT JOHN, N.B.

Mr. F. R. Plourde, (B.A., B.C.L.)
P.O. Box 1406,
Prince William Street,
Saint John, N.B.

NORTH BAY, Ont.

Federal Building,
P.O. Box 540,
North Bay, Ont.

*PT—mornings (competition being
arranged to fill this position)

QUEBEC, Que.

Mr. A. Legendre, (B.A., LL.B.)
Mr. J. G. Coote,
Ste-Foy Hospital,
2705 Laurier Boulevard,
Ste-Foy, Quebec 6, Que.

FORT WILLIAM, Ont.

(Served by Winnipeg Advocates)
Legion Memorial Building,
226 S. May Street,
Fort William, Ont.

MONTREAL, Que.

Mr. W. R. Henry, Q.C.
Mr. J. L. Pouliot, Q.C.
Mr. F. E. Faussett, (B.Com., LL.B.)
Old Examining Warehouse,
379 Common Street (Cor. McGill),
Montreal, Que.

WINNIPEG, Man.

Mr. A. H. Yetman,
Mr. A. Schroeder, (LL.B.)
803 Commercial Building,
169 Notre Dame Ave., East,
Winnipeg, Man.

REGINA, Sask.

Mr. A. S. Pettapiece,
Motherwell Building,
Victoria Ave. and Rose Street,
Regina, Sask.
(taking over this position shortly)

SASKATOON, Sask.

Mr. A. S. Pettapiece,
Federal Building,
Saskatoon, Sask.
(taking over this position shortly)

CALGARY, Alta.

Mr. H. D. Colbourne, (LL.B.)
(Mailing Address) Michael Building,
810-3rd Street West,
Calgary, Alberta.
(Office Address) Garbutt Building,
706-6th Street West, Calgary, Alta.

EDMONTON, Alta.

Mr. D. K. Ward, (LL.B.)
Federal Building,
99th Ave. & 107th Street (P.O. Box
640)
Edmonton, Alta.

VANCOUVER, B.C.

Mr. M. F. Gladman, (B.A.)
Mr. A. Koch, (LL.B.)
Mr. R. N. Gourlie, (B.A., LL.B.)
Mr. C. D. P. Myers, (LL.B.)
Shaughnessy Hospital,
Vancouver, B.C.

VICTORIA, B.C.

Mr. S. J. Mayzes,
Belmont Building,
Government Street,
Victoria, B.C.

OVERSEAS

Col. Victor Jones, Q.C.
for District Administrator,
13-17 Pall Mall East,
London, S.W.1, England.

*Part-time

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HOUSE OF COMMONS

First Session—Twenty-fourth Parliament
1958

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

Bill C-33—An Act to amend The Returned Soldiers' Insurance Act.

Bill C-34—An Act to amend the Veterans Insurance Act.

THURSDAY, JULY 17, 1958

WITNESSES:

Mr. D. L. Burgess, Dominion President, Canadian Legion, Mr. T. D. Anderson, Dominion Secretary and Mr. D. M. Thompson, Director of Service Bureau; Mr. Lucien Lalonde, Deputy Minister, Department of Veterans Affairs, and Mr. C. F. Black, Superintendent, Veterans Insurance.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.

and Messrs.

Anderson	Herridge	Peters
Batten	Houck	Regnier
Beech	Jung	Robinson
Benidickson	Kennedy	Rogers
Bigg	Lennard	Speakman
Broome	Lockyer	Stearns
Cardin	Macdonald (<i>Kings</i>)	Stewart
Carter	MacEwan	Thomas
Clancy	MacRae	Webster
Denis	McIntosh	Weichel
Fane	McWilliam	Winkler
Forgie	Ormiston	Roberge
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

REPORT TO THE HOUSE

WEDNESDAY, July 16, 1958.

The Standing Committee on Veterans Affairs has the honour to present its

SECOND REPORT

Pursuant to the Order of Reference of Tuesday, June 3, 1958, your Committee has carefully considered items 473 to 499 inclusive, and items 517 to 520 inclusive, as listed in the Main Estimates of 1958-59, also items 652, 653 and 654, as listed in the Supplementary Estimates, for the fiscal year ending March 31st, 1959, all relating to the Department of Veterans Affairs and your Committee has agreed to approve them.

During the study of the said Estimates, your Committee heard the Minister of Veterans Affairs, Honourable A. J. Brooks, and a large number of officials of the Department, namely, Mr. Lucien Lalonde, Deputy-Minister; Mr. F. T. Mace, Assistant Deputy-Minister, Mr. J. L. Melville, Chairman, Canadian Pension Commission, Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board; Mr. G. H. Parliament, Director-General, Veterans Welfare Services; Mr. C. F. Black, Superintendent, Veterans Insurance; Mr. T. J. Ruthford, Director, Veterans Land Administration; Dr. John N. Crawford, Director-General, Treatment Services; Mr. P. E. Reynolds, Chief Pensions Advocate, Veterans Bureau.

Your Committee is grateful to the Minister and his officials for their enlightening contribution to the work of the Committee during the consideration of the Estimates.

A copy of the Minutes of Proceedings and Evidence relating to the above appended hereto.

Respectfully submitted,

WALTER DINSDALE,
Chairman.

FRIDAY, July 18, 1958.

The Standing Committee on Veterans Affairs has the honour to present its

THIRD REPORT

Your Committee has considered Bill No. C-33, An Act to amend The Returned Soldiers' Insurance Act, and has agreed to report same without amendment.

Respectfully submitted,

WALTER DINSDALE,
Chairman.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 268.

THURSDAY, July 17, 1958.

The Standing Committee on Veterans Affairs met at 10.00 a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Beech, Bigg, Broome, Carter, Dinsdale, Forgie, Herridge, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, MacRae, McIntosh, Montgomery, Parizeau, Peters, Regnier, Roberge, Robinson, Rogers, Speakman, Stearns, Thomas, Webster, Weichel, Winkler.

In attendance: From the Department of Veterans Affairs: Mr. Lucien Lalonde Deputy Minister; M. F. L. Barrow, Departmental Secretary; Mr. C. F. Black, Superintendent, Veterans Insurance; Mr. W. G. Gunn, Q.C., Director of Legal Services; Mr. J. G. Bowland, Chief, Research and Statistics; G. H. Parliament, Director-General, Welfare Services; Mr. Leslie A. Mutch, Vice-Chairman, Canadian Pension Commission, and Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board.

From the Canadian Legion: Mr. D. L. Burgess, Dominion President; Mr. T. D. Anderson, Dominion Secretary, and Mr. D. M. Thomson, Director, Service Bureau.

The Committee called Mr. Burgess, who read a brief, and was questioned thereon.

Mr. Anderson and Mr. Thomson were questioned briefly during the presentation by Mr. Burgess.

At the conclusion of the presentation, the Chairman thanked Mr. Burgess and his aides for their valuable contribution.

The Committee then proceeded to the consideration of Bill C-33, An Act to amend The Returned Soldiers' Insurance Act, with Mr. Lalonde and Mr. Black under questioning.

Clauses 1, 2 and 3, the preamble and the title of the Bill were severally considered and adopted. The said Bill was ordered to be reported to the House without amendment.

The Committee then considered Bill C-34, An Act to amend the Veterans Insurance Act. Mr. Black made a statement and he was questioned thereon. Mr. Lalonde was also under questioning during the study of the said Bill.

During the discussion on the Bill, Mr. Speakman moved, seconded by Mr. Herridge,

That the terms of section 1, subsection 3, paragraph 1-a be amended to include those veterans who for any reason were discharged honourably from active service after World War II.

The Chairman ruled that the amendment could not be entertained because involved an increased charge upon the public treasury.

After considerable discussion, it was agreed that the recommendation of the Canadian Legion on this matter be accepted and that the Steering Committee prepare a Draft Report to include a recommendation to the House.

Bill C-34 was then considered clause by clause.

Clauses 1, 2, 3, and 4, the preamble and title of the Bill were severally considered and adopted. The said Bill was ordered to be reported to the House without amendment but with a recommendation along the views presented by the Canadian Legion.

At 12.30 o'clock p.m. the Committee adjourned to meet again at 10.0 o'clock a.m. Thursday, July 24th, 1958.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

THURSDAY, July 17, 1958

10.00 a.m.

The CHAIRMAN: Gentlemen we have a quorum. Our order of reference is the following; that bill No. C-33, An Act to amend the Returned Soldiers Insurance Act be referred to the standing committee on veterans affairs, and further that bill C-34, an act to amend the Veterans Insurance Act be referred to the said committee.

You have received copies of these two bills this morning and you have them before you. We are honoured this morning in having with us the representatives of the Canadian Legion. The minister, Mr. Brooks, had hoped to be with us this morning and had so planned up until half an hour ago when a cabinet meeting was suddenly called, and unfortunately it takes priority. Important as this veterans affairs standing committee is, it seems that cabinet meetings have priority.

So it is my happy lot to have the privilege of introducing to you our three visitors. I think perhaps gentlemen, if you would like to come to the front, we could have a good look at you.

The national president, of course, is Mr. D. L. Burgess. As a good legionary myself I should say "Comrade Dave" Burgess. We are glad to have Mr. Burgess with us this morning. Then we have Mr. Anderson, who is the Dominion secretary and who also has a very distinguished service career. He had service in that famous night fighter squadron No. 410. Next we have "Don." Thompson, who is the service director of the service bureau in the Canadian Legion. "Don." is the gentleman to the far right.

I understand the president will present the brief and at this time, Mr. Burgess, the committee is at your service.

Mr. D. L. BURGESS (*Dominion President of the Canadian Legion*): Mr. Chairman and Members:

It gives me a great deal of pleasure, as the Dominion President of the Canadian Legion, to appear before this, Canada's first standing committee on veterans' affairs. We wish to commend the government and the house for the establishment of this committee. It is something that the Legion has requested for many years. We sincerely trust that the terms of reference of this committee will be sufficiently broad to ensure a thorough study of the problems of Canada's veterans. We are sure that such study will result in any useful recommendations for the improvement of our veterans' legislation and its administration.

We look forward to having the opportunity of appearing before this committee in the near future to submit for your consideration our views on several phases of veterans' legislation. The Canadian Pension Act, the War Veterans Allowance Act and the Veterans Land Act are, we believe, the most important of these.

I feel sure that it might be useful to members of the committee and particularly to the new members of the committee. I expect and I believe that most of you belong to the Canadian Legion and yet, being busy in other spheres, you have not been able to study the affairs of the Legion and its activities as closely as some of us who have not been engaged in such a strenuous undertaking as that in which you have been engaged. I thought

perhaps for your benefit or for your information you might like to obtain a copy of the reports of the dominion president and the dominion secretary of the convention in Edmonton. I will leave this one copy with the Chairman and will send copies to you later on. Copies can later be distributed to each member of the committee.

We realize that today your committee is dealing with bills C-33 and C-34 which refer to the Returned Soldiers' Insurance Act and the Veterans Insurance Act respectively. We will, therefore, confine our submission at this time to these two bills.

Bill C-33—An act to amend the Returned Soldiers' Insurance Act

We are in complete agreement with this bill and wish especially to commend the government for the introduction of clause 3. The amendment is one that the Legion has been pressing for over a long period and we believe that the repeal of section 10 of the act will remedy a situation that has been both unjust and unfair, resulting in many pensioners' families being without the protection that the pensioner thought he was providing.

Bill C-34—An act to amend the Veterans Insurance Act

Clause 1—We sincerely regret that this clause, amending as it does section 3 of the Veterans Insurance Act which section establishes the cut-off date for applications under this act, does not contain any provision for the extension of the present dead-line. It does, in fact, decrease the time limit for application for veterans who continued in the services.

The Canadian Legion has no quarrel with the date set, namely, September 30, 1962, but we do protest the fact that veterans who took their discharge following World War II and returned to civilian life are not given equal treatment with those veterans who chose to remain in the armed forces. As this committee knows, the Canadian Legion has always pressed for favourable consideration of those men and women serving in our peacetime forces, but since the right to apply for veterans' insurance under the Veterans' Insurance Act is directly related to service in World War II or in Korea, we fail to understand why there should be any discrimination because of a veterans choice of post-war occupation.

In our experience many veterans of World War II who returned to civilian life after the war were not, in the early post-war years, concerned with insurance but now that they have established families and seek to provide security for those families they sometimes find that because of wartime disabilities they are barred from the advantages of ordinary insurance at regular rates. We believe it would be beneficial to those veterans, and more especially to their families, if the same right were given to them—that of applying for veterans insurance under the Veterans Insurance Act up to September 30, 1962.

THE CANADIAN LEGION THEREFORE STRONGLY RECOMMENDS

That bill C-34 be amended so as to provide that all those formerly qualified to take out veterans' insurance may do so up to September 30, 1962.

We would further urge that this change be given the widest possible publicity.

So that those who have felt they were not entitled to apply for insurance will know that a change will have been made.

Mr. BIGG: Some of us were forced to return to civilian life and would have stayed in the army if we could. We were barred from this.

Mr. BURGESS: That is another point I might bring out.

Clauses 2 and 3—We are in agreement with clauses 2 and 3 and are especially pleased at the amendment proposed in clause 3. As we stated in referring to the repeal of section 10 of the Returned Soldiers Insurance Act, we believe that the repealing of section 10 in the Veterans' Insurance Act will be equally beneficial to the dependents of veterans of World War II and Korea. We commend the government for this amendment.

Clause 4—While we do appreciate the proposed extension to enable Korean veterans to apply for veterans insurance up to September 30, 1962, we are of the opinion that the cut-off date for Korean veterans' applications should bear the same relationship to the end of the Korean war as September 30, 1962, bears to the end of World War II. If this equal treatment is granted to Korean veterans they would be eligible to apply for insurance up to October 31, 1968. This would insure that the Korean veterans would receive just recognition for their services.

THE CANADIAN LEGION THEREFORE RECOMMENDS

That bill C 34 be amended so as to provide that all Korean veterans may apply for veterans insurance up to October 31, 1968.

Conclusion—In conclusion I want to again express our appreciation for the opportunity of appearing before this committee. We look forward to your work resulting in many improvements in Canada's veteran legislation. We trust that the time allotted and your terms of reference will also permit a thorough study being made of the administration of this legislation because the effects of good legislation can be, to a large extent, nullified by too strict an interpretation being employed in its administration.

The CHAIRMAN: Thank you, Mr. Burgess.

Now, gentlemen, this is your opportunity to present any questions arising from the brief to the president of the Legion, and the officers with him this morning.

Mr. WEICHEL: Mr. Burgess, what is the objection to not giving the insurance to the second world war veterans who are civilians. What is the objection to that?

Mr. BURGESS: I could not answer that.

The CHAIRMAN: That question, Mr. Weichel, I think, would be better directed to the officials of the department. There will be a statement with reference to the legislation in a moment from the departmental officials.

Mr. THOMAS: Along the same lines I would request a brief summary of the advantages of this veterans insurance. I used to know what they were but I have not had a chance to go through the act closely recently. I think it might help, at least it would help me, if we could have a summary of the benefits—the special benefits—to veterans.

The CHAIRMAN: You would like that from the director of insurance, would you?

Mr. THOMAS: Well, I would think that he would probably be the best man to do it.

Mr. HERRIDGE: Could we not direct our questions first of all to Mr. Burgess to the officials of the Legion and follow in sequence. My friend is usually more logical.

Mr. Burgess, I would like to ask you this question. From your experience with the Legion and veterans work in general, have you found general interest in veterans in this legislation both in the first world war and World War II, because I find in some cases some people presuming that it is not of very

great interest. I am talking about civilians. I think they fail to realize the importance of this legislation. What has been your experience?

Mr. BURGESS: Those who are interested are intensely interested. There are some who are not interested, of course. There are many veterans who did not take out veterans insurance; but those who did, and those who wanted to and find themselves debarred for these reasons, are intensely interested. To them this is an important matter.

Mr. HERRIDGE: You would say there is a large body of veterans who are intensely interested, and who are interested in the amendments and suggestions you have presented this morning.

Mr. BURGESS: To the extent that these things have been asked for in resolutions at the conventions, which is indicative of a considerable interest.

Mr. BROOME: In regard to the Korean veterans, this recommendation on Korea to 1968, considering the large number of men involved in World War II and the fact that perhaps a lot of them did not really understand the benefits they could get under this legislation, the previous legislation, and the relatively small number involved in the Korean war, and the fact that that information could be disseminated quite readily to every member of the Korean forces, and that the 17 years spread that the man coming out of the Korean war had at the age of 20, which would bring them up to the age of 37, with the 17 years spread—in your submission, in regard to the Korean end, do you consider that to be of major importance? I would consider it to be a relatively minor matter, and having some cut-off date, you might have been better to have stuck to the same cut-off date.

Mr. BURGESS: The one reason that we feel as we do is that probably the same percentage of veterans who served in Korea as in the second world war, and for the same reason, failed to take out insurance, in that they were involved in many other things. They were raising families, and were scouting around. They had not been rehabilitated, and they had not settled down. It is just as important to that small number, which is approximately the same percentage we would estimate as the larger number, which would be a larger percentage, and which would be the same percentage of the larger group.

Mr. HERRIDGE: I think you would say that the same circumstances and conditions are being experienced in that respect as were experienced with the veterans of the first world war. It took some years for some of them to realize the benefits of the legislation.

Mr. BURGESS: Yes there are some around who may have served in the first world war, as I did, who realize that situation.

Mr. BEECH: Do you think we can expect an increase in interest as a result of your repeal of section 10?

Mr. BURGESS: Oh, yes. Again, it will be a relatively small number; but those who wish it are probably deprived of getting other insurance, and they will be very much interested in this. It seems to me they have the right to expect this benefit.

Mr. ROGERS: Mr. Burgess, is it not a fact that a larger percentage of those who served in the Korean war were World War II veterans as well?

Mr. BURGESS: Did you say a larger percentage? Larger than what?

Mr. ROGERS: Than new enlistments.

Mr. BURGESS: I have not got the figures. I could not estimate that.

The CHAIRMAN: Perhaps we can get that information from the departmental officials.

Mr. ROGERS: The reason I am bringing it up is that if that is a fact, it would not affect too many people.

Mr. HERRIDGE: But, Mr. Burgess, should not justice be done if it only affects—

Mr. BURGESS: I am not concerned if it only affects a few. But it affects those who have the right to expect this because others in the same category of another war are getting the benefit of it. I think, even if the percentage is small, it is not legislation that we are asking for, for a person. It is legislation for a group of people, those who wish to take advantage of it.

Mr. ROGERS: Then you think that six years more is going to give a certain group more opportunity.

Mr. BURGESS: It gives them the same opportunity as others have had in the numbers of years. It is the time lag. It is the time that one date bears to the corresponding date.

Mr. ROGERS: I am not against it. If anyone is interested in insurance they have up to 1962 to get it anyway.

Mr. BURGESS: Yes, they have up to 1962; but why should those who found themselves in the position of being retired from the services be in a different position from those who remain in the service?

Mr. ROGERS: I agree with you there; but my idea is this, that I think by having a cut-off date you accelerate it. And if you are going to extend it, would not it be better to extend it later on?

Mr. BURGESS: They only have ten years after leaving the service, but those who are in the service have ten years after leaving the service—that is, those who remained in the service after the war.

Mr. ROGERS: I see that.

Mr. HERRIDGE: The basis of the Legion's argument, Mr. Burgess, is that you are asking for equality of treatment under the veterans legislation.

Mr. BURGESS: Absolutely.

Mr. WEBSTER: On what date was the original cut-off time for the second world war veterans? Was it 1962 or previous to that? I am in the process of buying insurance now and I am going to find out whether it is a better bargain. Was it always 1962?

Mr. BURGESS: It was ten years after severing their service with the armed services.

Mr. WEBSTER: As I understand it, as a second war pensioner I can come back, up to 1962, and change my mind, under this new legislation.

Mr. BURGESS: Not unless you are in the armed services.

Mr. WEBSTER: Not unless you are in the armed services now, is that the story?

Mr. BURGESS: Yes.

Mr. BIGG: And if we amend it, he will be able to, is that right?

Mr. WEBSTER: If this amendment goes through, we will still be eligible, although we are out of the army.

Mr. BIGG: Up to 1962.

Mr. SPEAKMAN: Under the new amendment we are not eligible.

The CHAIRMAN: Mr. Thompson will make a comment on that question.

Mr. D. THOMPSON (*Director of the Service Bureau of the Canadian Legion*): It would seem that there is some confusion in the minds of some of the members that would indicate that they are of the opinion that if the amendment, as proposed in bill C-34, goes through, all world war II veterans would be eligible to apply until 1962. That is not the way we understand the bill.

The way we understand the bill, those who continued in the armed services now have until ten years after discharge—we have the case of the man who might serve until 1955 or 1956 who would have, at the present time, until 1965 or 1966 to apply. The deadline in this bill, 1962, would curb him off in 1962. But it would not extend anything to world war two veterans who did not continue in the services. It would still cut them off in 1954, and they would not now have an opportunity to apply because of the proposed amendment as the bill is now drawn. That is as we understand the bill.

In regard to the question of the interest of veterans in this insurance, I have just come back from a trip in Western Canada—particularly British Columbia—and I find that following references in the press to contemplated changes in the Veterans Insurance Act, we had a number of inquiries from veterans. I stopped in Toronto and met two chaps from world war two who had not taken advantage of the veterans insurance. They also expressed interest in it. But I do not think in many of these cases, and the same applies to Korean veterans,—there is a certain sequence that follows the phase after the chap was discharged. He gets back into civvy street and gets married and has a family. He may think about insurance. He does not do much about it. Suddenly a friend or a neighbour dies and he suddenly realizes he needs insurance. If he has a disability he has to pay higher rates to regular insurance companies. A large number of these veterans are now in the age group where they would like to take advantage of this insurance. I think some pensioners who have investigated veterans insurance realized that, because of section 10 of the act, it would not be of great value to their families; they have not bothered to take it out.

But with the repeal of section 10 I think quite a number of these people would feel it would be to their advantage to take out that insurance. Because these would be people in a class where pensions might be paid to their widows, and who if they went to an insurance company would have to pay a greater premium, an extension of the cut-off date would be of great benefit.

Mr. BIGG: I do not think that is clear yet. Is not this so, that the Legion is now saying that the act even as amended would not be satisfactory, and they want us to consider a better amendment which would include all veterans. Is that correct?

Mr. BURGESS: That is what we are asking.

Mr. McINTOSH: What would be the harm of leaving this open until 1968 for all veterans, because sometimes the disability does not show up until later years and it is too late for them to get insurance in line companies. Leave it open until 1968 for everyone.

Mr. BURGESS: I know of no reason.

Mr. FORGIE: I would agree to that.

Mr. McINTOSH: I want to know what arguments there are against it, that is all.

The CHAIRMAN: That question, Mr. McIntosh, can be directed to the departmental officials before the committee.

Mr. McINTOSH: I would like an answer to it; who is opposed to it and what are the reasons for the opposition to it.

The CHAIRMAN: The departmental officials can deal with that.

Mr. BURGESS: Our request was very modest. I would be glad if the committee saw fit to extend the dates.

Mr. PETERS: What is the financial position of this insurance plan? Does it carry itself or is it subsidized?

The CHAIRMAN: I do not think the Legion can answer that. We will delay that until the departmental officials are before the committee.

Mr. WEICHEL: I believe, Mr. Chairman, when we are talking up to 1968 we have to consider why it takes some fellows longer to establish themselves than others. Some fellows can re-establish themselves very soon; others may take 20 or 30 years to get back into civilian life.

Mr. BROOME: What is the limit of insurance under this section? Is there a limit and how much insurance is covered by it?

The CHAIRMAN: \$10,000, I believe, is the limit of insurance.

The CHAIRMAN: Are there any further questions for Mr. Burgess?

Mr. HERRIDGE: My experience has been that there is quite a percentage of small pensioners, whose pension does not amount to a great deal each month, who take advantage of the insurance because the amounts deducted from the insurance can be deducted from the small pension. I would say a larger percentage of small pensioners in relation to other groups take advantage of this veterans insurance. What has been your experience in that respect?

Mr. BURGESS: I would not know.

Mr. THOMPSON: No.

Mr. BURGESS: That is the logical sequence, but I do not know.

Mr. HERRIDGE: It has been my experience. They would say "we might as well use it to get some insurance."

The CHAIRMAN: Are there any further questions?

Mr. BIGG: I worked in rehabilitation for two years after the war, and I found that this insurance was popular with people who thought they should be pensionable, but were unable to get one. They felt that they had suffered trauma in the services. They were not getting any overseas pension and wanted to protect their families from perhaps their own fears as a result of war service. In a great many cases it was not available, or it would not be after the time limit. When these things which they thought would have entitled them to pension came up, and they thought they were going to die, they wanted protection for their families. And that is why this amendment should be broader.

Mr. HERRIDGE: I think the relatively few questions indicate that the committee is in support of the Legion's proposals.

The CHAIRMAN: Does that complete the questioning on the brief?

Mr. ROGERS: Mr. Burgess, has this interest finally come to a point in recent years in respect of insurance by veterans?

Mr. BURGESS: Yes it has, on several occasions. That is the reason we are bringing it forward, because of the interest that veterans have expressed, as they have expressed it in resolutions submitted to Legion conventions, and approved.

Mr. ROGERS: In other words it follows that when you cannot get something, you want it.

Mr. MONTGOMERY: That is about it.

Mr. WINKLER: Not necessarily. As the years go by they realize they need it.

Mr. BURGESS: We were all aware, I am sure, of the fact that veterans were not in a position to take out insurance. They had many other pressing problems before them when they were discharged from the service. They were getting jobs and raising families; and whether they were living in the country or the city, they had many debts that they thought were of pressing importance. And it was later that they realized the need for insurance because of what was happening around them, and what they became aware of. It suddenly caught up with them. They realized they could get insurance for an amount which meant they could ill afford to be getting along without it. But

the point is that the person who chose or was required to leave the service is not even getting a break with the person who stayed in for a few years or who might be in yet.

Mr. ROGERS: I see that. Has this been put before?

Mr. MONTGOMERY: What do you mean by "required to leave the service"? I do not understand that.

Mr. BIGG: I can understand it. I was retired at the age of 32 because they said I was burned out—too old. I happened to be a captain, if that makes any difference in that matter. But I was retired compulsorily. I would have stayed in the army if I had been able to. But now I am 46 instead of 32.

Mr. MACRAE: I would like to ask a question. The legislation is clear cut as it is. I presume there has not been very much argument about it, as is. Have you had any communications in reference to the bill from organizations in connection with returned soldiers insurance. I presume there has not been a great deal of argument.

Mr. THOMPSON: No, it is very clear cut. We have had a number of inquiries from time to time when the cut-off date was passed. All we could do was to advise people that they could not apply unless they had re-establishment credit left. There are very few problems arising out of it. There are many complaints in connection with section 10, but the legislation was clear cut. The officials had no discretion whatsoever. The act was clear cut.

Mr. WEICHEL: Mr. Chairman, I believe that probably it could be compared in this way, that today men who are interested in insurance were not interested in it before. It is just the same as ten years after the first war. A lot of fellows were not interested in the Legion, but as soon as they found out the value of the Legion we could get them to come into it. I think probably insurance works the same way, and these fellows start to realize the value of the insurance.

Mr. ROGERS: Is this the first time you have put this up to the government?

Mr. BURGESS: No.

Mr. A. ANDERSON (*Dominion Secretary of the Canadian Legion*): In the previous parliamentary committee we asked not only that the date-line be extended but that section 10 be taken out of the act. At that time it was not included in the terms of reference of the parliamentary committee, and they could not deal with it; but we have asked for it on several occasions.

Mr. STEARNS: What were the objections raised at that time? Could you give us a clue as to why this amendment might not be put into the act at present? Do you recall what objections were raised at that time.

Mr. ANDERSON: The terms of reference of the committee did not include dealing with section 10 of the act. While they took cognizance of our recommendation, they were unable to make a recommendation on it.

Mr. STEARNS: I do not know whether that answers my question or not. I am wondering if those who are in the army today can think of any possible objection to amending the act, and if so what would those objections consist of?

The CHAIRMAN: I think the departmental officers will be able to satisfy you on that question.

Mr. STEARNS: They are not here today.

The CHAIRMAN: They are sitting in the back row, Mr. Stearns, looking very wise.

Mr. STEARNS: Let us ask what the objections were. Perhaps we can find a way to get around it.

The CHAIRMAN: They will be dealing with the bill as soon as we have finished questioning Mr. Burgess.

Mr. THOMAS: As I understand the brief, the Legion are making no definite recommendations as far as bill C-33 is concerned.

Mr. BURGESS: That is right. We are making no recommendation.

The CHAIRMAN: Are there any further questions? Thank you, Mr. Burgess, Mr. Anderson and Mr. Thompson. There is nothing further you have to say at this time?

Mr. THOMPSON: If I might say one word in connection with the extension of the insurance; I am sure that many of the departmental officials, particularly the officials of the Pension Commission, the War Veterans Allowance Board, the Welfare Services and those who are interested in the Service Bureau have known many cases where the veteran dies and the widow and family are left destitute and are trying to establish a pension claim to qualify for war veterans allowance for the widow and children. They will have seen the family left, but without any insurance shown. So I think that anything that could be done to make it possible for these people to get insurance would be a good measure. Every single person benefits. It is not the veteran you are helping, but the widows and children who are left after the veteran has gone.

I think there is need for any extension which could be granted.

Mr. HERRIDGE: I think that is very well put.

Mr. WEICHEL: That is probably one reason why we should extend it to 1968.

The CHAIRMAN: That was a statement, not a question.

Now, gentlemen, we have with us the deputy minister, Colonel Lalonde, and Mr. Black who is the director of insurance. You have met both these gentlemen on former occasions. They are backed up by other officials from the department.

Some of the questions you asked a few moments ago which could not be answered at that time might now be directed to these officials. But I think they would like to make a general statement by way of introduction.

We shall deal with bill C-33 first, and I now call on Mr. Black.

Mr. C. F. BLACK (*Superintendent, Veterans Insurance, Department of Veterans Affairs*): Mr. Chairman and gentlemen, I would like to make a brief statement now.

Following World War I the government saw the desirability of providing an opportunity for returned soldiers to secure life insurance protection, particularly for those who had disabilities which would prevent them from obtaining policies at standard rates from insurance companies. A number of these would be pensioners but in some instances no pension would be awarded to the soldier's dependents on his death. Accordingly, after considerable discussion and consultation with representatives of the insurance industry, the Returned Soldiers' Insurance Act was drafted and passed in 1920. It provided that life insurance up to a maximum of \$5,000 could be obtained by all veterans of World War I and their widows, subject to certain very low medical requirements.

As the main purpose of the act was to provide protection for the veteran's family the class of beneficiaries consisted of the spouse and children, and any member or members of that class could be named as beneficiary. A further class of beneficiaries who could be selected to receive the proceeds, in the event that no member of the first class survived, consisted of the insured's parents, brothers and sisters, grandchildren, etc. If no member of the first class of beneficiaries survives the insured and no member of the second class presently known as alternative beneficiaries is named and survives, the insurance proceeds become payable to the insured's estate.

As the insurance under this act was intended to provide family protection the plans available were all designed to this end. They were single premium life, ordinary life, which has since been changed to life with premiums payable

to the policy anniversary nearest the insured's 85th birthday, and 10, 15 and 20 payment life, and a plan providing that premiums were payable to the anniversary nearest the insured's 65th birthday.

Returned soldiers' insurance was available from 1920-23, when eligibility to contract for new policies ceased. It was resumed however in 1928 and continued until 1933. Since August of that year no new policies have been issued.

The premiums charged were non participating, that is, no dividends were anticipated nor have any been paid. All premiums received under the provisions of this act have formed part of the consolidated revenue fund.

Now, gentlemen, that is all I wish to say at the present time.

The CHAIRMAN: Thank you, Mr. Black. I think it would be in order if we completed our consideration of bill C-33 before we proceed to deal with bill C-34.

Before we consider bill C-33 clause by clause perhaps you have some questions to ask Mr. Black concerning it, and I mean bill C-33 only.

Mr. MACRAE: I would like to ask how many veterans of World War I took advantage of the Returned Soldiers' Insurance Act, and how much insurance is presently in force under that act?

Mr. BLACK: The total number of policies issued under the Returned Soldiers Insurance Act was 48,319, and for an amount of \$109,299,500.

On June 30 of this year the number still in force was 10,570, for an amount of \$22,362,060.01.

Mr. MACRAE: Thank you.

Mr. THOMAS: May I ask the number of policies which are still in force?

Mr. BLACK: 10,570.

Mr. BIGG: What percentage of these policies has been paid over to beneficiaries? Did any of them lapse? Did the veterans benefit from taking these out, or did the policies lapse before?

Mr. BLACK: We have some figures on that. You may appreciate that the data from earlier years has been found to be incomplete. However, I have the result pretty closely.

The number of policies which were terminated by death is approximately 12,000. Those that have been surrendered total something over 16,000.

Mr. BIGG: That is what bothers me because it appears that these veterans are paying for protection for 20 years and then they die just before or just after their policy has lapsed.

Mr. BLACK: If a policy is surrendered, they get the cash value. There is a provision in the contract which allows them to do that with the consent of the primary beneficiary.

Surrenders are based upon family circumstances and economic conditions, and we have no control over them. It is automatic.

Mr. MACRAE: They had protection all that while.

Mr. BIGG: Here is a veteran who has got into bad circumstances and he surrenders his insurance. His family is still left without protection.

Mr. MACRAE: That will happen in the case of any insurance.

Mr. HERRIDGE: Would not a great percentage of these surrenders have taken place during the economic depression following World War I? I know a number who surrendered their policies because they were hard up.

Mr. BLACK: Yes. When I quoted the number of surrenders I perhaps should have said that a large proportion of them were surrendered by policy holders who then took out new insurance.

It is rather interesting to note that the surrenders, for instance, in that total which I gave you, in the years 1933, 1934 and 1935, when the act was reopened, totalled over 4,000; whereas new issues in 1928-1929 numbered 4,000; in 1930, 3,000; and so on.

There is a good relationship there between the people surrendering policies and taking out new insurance. And we have found that to be the policy under the other act.

Mr. BIGG: There are still 20,000 which lapsed.

Mr. BLACK: No.

Mr. BIGG: 12,000 were turned in at death, and 16,000 were surrendered.

Mr. BLACK: Something like 8,000 have been terminated by lapse, or by extended term insurance expiry.

One of the provisions of the act is that if a man has been paying premiums and does not wish to surrender, we give him term insurance for a limited period at the end of which time the policy expires. Those which lapsed as expired totalled something over 8,000.

Mr. WINKLER: I would like to ask if this scheme functions in connection with the consolidated revenue fund, or is it a self sustaining scheme?

Mr. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): I shall answer your question to the best of my knowledge. We have been told by the treasury people that originally it was intended that the insurance scheme would be self sustaining because it is not an alternative benefit in the rehabilitation program.

Anybody who had university training or who was settled under the Veterans' Land Act was eligible at the same time to take out an insurance policy. All the money went into the consolidated revenue fund and they maintain that if the forecast of claims is actuarially correct, the value in the fund is sufficient to take care of commitments on the policies which will become payable in future.

The control of the fund itself does not rest with our department.

Mr. WINKLER: Therefore you cannot answer my question directly, that it does function as a cost to the government.

Mr. LALONDE: It has not, I believe, cost the government anything until now, except for the interest which was added for a while to the fund to make it solvent.

Mr. WINKLER: But it is now costing money to function?

Mr. LALONDE: No. The cost of administration is absorbed in our departmental estimates each year. Of course the administration of the insurance scheme has cost the government money because we have had to take on some staff to deal with the insurance problems and the administration of the whole scheme.

Mr. STEARNS: Well, sometime over a period of years it has some relationship to it. I notice in the schedule that rates for veterans insurance are higher than the rates scheduled for returned soldiers. How do these two compare? They are quite a bit higher now than they were in 1920, when you compare them to the cost per thousand.

Nevertheless, we are all supposed to be living longer. There must have been some place along the line when you found you were not making any money out of it.

Mr. BLACK: The rates were computed for this act in 1920, and it was indicated at that time that they were comparable to corresponding rates charged by private insurance companies for non-participating insurance.

They are based on the British table of mortality, and they were actuarially calculated exactly.

When consideration was given to veterans insurance during the latter part of World War II, the same theory was followed: that the rate would be competitive with those charged by private insurance companies for the same type of non-participating contracts. They were so drawn, based again on the British mortality table.

The interest allowed on the earlier rates, that is, in the computation of rates, was 4 per cent. But those in the second case were $3\frac{1}{2}$ per cent and that basically accounts for the difference.

Veterans insurance rates were slightly higher but the interest rates in the meantime had gone lower. That accounts for it.

I might say that in neither instance have the rates been increased or changed since the original concept.

Mr. MACDONALD (*Kings*): The cash surrender value under both of these acts is not negotiable as an instrument for borrowing.

Mr. BLACK: No. The policies are not accepted by financial institutions as collateral, because there is a provision in each act that the proceeds of the policy are not to be subject to the claim of creditors of the insured or of the beneficiaries.

Mr. MACDONALD (*Kings*): I think that constitutes a weakness in the act. Suppose a man is all right and he wants to borrow. He cannot do so under these acts, yet he could do so under an outside insurance company policy.

Mr. LALONDE: This provides you with one kind of protection and eliminates another.

Mr. WINKLER: I disagree with Mr. Macdonald. I think in such a case the man should be insured by me.

Mr. BLACK: We have had no criticism of that provision of which I am aware.

Mr. HERRIDGE: My experience has been that while technically it is correct, nevertheless when you are dealing with any banking institution, these things are all taken into account. A local bank manager will know all the circumstances and he will say: here is a man who has a \$5,000 policy. It is a material fact which helps him to obtain a loan.

Mr. BEECH: Might I suggest that the abolition of section 10, will, no doubt, cut down the rate of surrender of these policies.

Mr. BLACK: I think it would have, under this act, very little effect. The effect of section 10 of the act now is limited.

Its main effect is in the earlier years. But I think it would have no detectable effect on the returned soldiers insurance.

Mr. WEICHEL: Could you tell us the number of veterans who have taken out government annuities?

Mr. LALONDE: I think that matter is handled by the Department of Labour Mr. Weichel.

Mr. WINKLER: I am ignorant of how this scheme functions. Does the government farm out this insurance to recognized companies?

Mr. LALONDE: No, sir, it is handled by the government completely.

Mr. WINKLER: Is there any particular objection that you know of for not extending the time limit? I would like to know this for my own information. I mean, in extending the time limit beyond the present date. That is what I asked this question before.

Mr. LALONDE: You mean on returned soldiers' insurance?

Mr. WINKLER: Yes.

Mr. LALONDE: In the case of World War I, all you would get would be applications from people who would be close to 60 years of age, and they would certainly take out all the insurance they could on that basis which would make the fund insolvent in no time.

Mr. WINKLER: I did not appreciate that fact. What I had in mind was this: I did not have the veterans of World War I particularly in mind when I asked my question.

The CHAIRMAN: I think you are referring to bill C-34 which will be dealt with as soon as we have finished with this bill.

Mr. MONTGOMERY: I was going to confirm what I thought I understood: that under the Returned Soldiers' Insurance Act there has been no new insurance taken out since 1933.

Mr. BLACK: That is right.

Mr. MONTGOMERY: This is just a case of payment of claims. That is all it has to do with.

Mr. MACDONALD (Kings): How large a staff do you have to administer this scheme?

Mr. BLACK: Perhaps I should review the staff situation since the Veterans Insurance Act was initiated and the branch was set up in 1945.

We started out with a staff which was comparatively inexperienced and small. But it rapidly increased so that at the time of maximum activity under the Veterans Insurance Act it numbered 38.

In 1950 we absorbed the administration of the Returned Soldiers' Insurance Act which previously had been handled by the Canadian Pension Commission.

Due to increase in efficiency, largely, we have been able to cut down the staff so that at the present time there is a total of 19 including the superintendent of administration of both acts.

The CHAIRMAN: Let us consider the bill clause by clause.

Mr. BROOME: May we not consider the bill in toto?

The CHAIRMAN: I am sorry, but we must proceed with it in the regular way.

Clauses 1 to 3 inclusive agreed to.

Preamble agreed to.

Title of the bill agreed to.

Shall I report the bill?

Agreed to.

Now, gentlemen, we have bill C-34 before us, and in order to shorten the discussion on it, Mr. Black will make a statement.

It has been suggested that when we get to the clause by clause discussion of the bill—this might abbreviate preliminary discussion—it has been suggested that on each clause Mr. Black should make an explanatory statement that there will be an opportunity to cross examine him fully thereon.

I now call on Mr. Black.

Mr. BLACK: Gentlemen, this is a general statement covering the Veterans Insurance Act, which is similar to the statement I made concerning the Returned Soldiers' Insurance Act.

Statement on Veterans Insurance to the Standing Committee on Veterans Affairs

Veterans insurance is the World War II counterpart of returned soldiers insurance. During the war the planning for the rehabilitation of veterans included the study of life insurance proposals. It was decided to initiate a

program similar to that provided under The Returned Soldiers Insurance Act. The Veterans Insurance Act was accordingly prepared and passed in 1944. It became effective February 20, 1945 and the first policies were issued on April 1, 1945.

Eligibility was provided for veterans following discharge, for widows of those who had died during service and for various categories of persons such as those merchant seamen who were eligible to receive a war service bonus or a special bonus, fire fighters, special operators, auxiliary services supervisors, members of the women's royal naval services and the South African Military Nursing Service. Serving members in the regular forces who had service during the war were also eligible. The period of eligibility initially was three years for everybody. It was subsequently extended to six years. In 1951 the period was again extended, this time to December 31, 1954 on which date eligibility expired for widows, merchant seamen and those who remained in the regular forces. Veterans could, however, apply until 10 years after their discharge if that were later. Those who saw service in the Korean theatre of operations and their widows were also given eligibility under this act. Their eligibility expires on October 31 of this year. The only other period of eligibility which need be mentioned is that afforded by section 12(3) of the War Service Grants Act which provides that if a veteran of World War II still has unused re-establishment credit sufficient to pay the initial premium, he may apply for veterans insurance up to January 1, 1960, or 15 years after discharge, if later.

As under Returned Soldiers Insurance, the plans of insurance offered by this act were confined to those providing protection. They were 10, 15 and 20 payment life and life with premiums payable to age 65 or 85. The premiums, while not the same as those under the former act, were competitive with premiums charged by insurance companies for corresponding non-participating policies.

The premiums charged were non-participating, that is, no dividends were anticipated nor have any been paid. All premiums received under the provisions of this act have formed part of the consolidated revenue fund.

From the inception of this act up to June 30 of this year, 42,508 policies have been issued for a face amount of \$133,870,000. Of these policies, 28,521 for a face amount of \$86,243,034 were in force on June 30. The average policy under this act as you will note was somewhat over \$3,000 while the average under the earlier act was about \$2,000. The maximum veterans insurance available is \$10,000 as opposed to \$5,000 of returned soldiers insurance.

Now I shall carry on and make a statement concerning clause 1 which we can then discuss if you wish.

Explanation of Clause 1 of Bill C-34, an Act to amend the Veterans Insurance Act

Clause 1 of the bill provides a firm cut-off date for eligibility for members of the forces who saw service during the war which, for the purpose of the Veterans Insurance Act, ended on September 30th, 1947. As I mentioned earlier those persons who served during the war and remained in the forces were eligible to contract for this insurance until December 31st, 1954, thus giving them a period of some 8 years in which to apply. Due to a justice ruling on the interpretation of the definitions of this Act and the meaning of "active service", which was changed by the Department of National Defence in 1947 to include service in the regular forces, such members again became eligible for a period of 10 years on their release from the regular forces. It was intended that in addition to the period of eligibility which these members had until 1954 they would have an additional 10 years which might start from

say, 1965. It is in order to correct this anomaly and to provide all members who might have anticipated future eligibility with an opportunity to obtain this insurance they will now have until September 30th, 1962.

The CHAIRMAN: Is there any discussion on clause 1?

Mr. WINKLER: My questions will be relevant, I trust. Again I assume that you are not in a position to tell me whether or not this insurance act functions at a cost to the government?

Mr. LALONDE: All I know is that, for the claims which have had to be paid on veterans insurance since its inception, the amount was covered by funds in the consolidated revenue raised through the premiums paid by the insured.

Mr. WINKLER: My next question is this: you made a statement that the rates were comparable or competitive with those of companies in the insurance field with a similar type of insurance. Is that correct?

Mr. BLACK: That is correct.

Mr. LALONDE: For a similar type of insurance.

Mr. WINKLER: Yes, for a similar type of insurance; and at that rate I would be inclined to believe that in as much as the private insurance companies are not operating on an altruistic basis, I assume that the government would be making some profit in the matter.

Mr. BLACK: Perhaps I might say that in the case of private insurance companies there are very strict medical standards adhered to, whereas under both of these acts, the medical standards are very, very low.

Anyone with a reasonable expectancy of life has to be accepted.

As a result we have many policyholders accepted who have not been accepted by private insurance companies. As a matter of fact the private insurance companies often refer applicants to us when those applicants have been declined by them. This is a more expensive fund to operate than the method of operation followed by the private insurance companies.

Mr. WINKLER: I agree with you, and by the same token if it were to be recommended at that rate I do not think there should be too much objection about any extension of the date to apply from the date of application, or would you have any comment thereon?

Mr. LALONDE: I am afraid, Mr. Winkler, that as far as we are concerned, we shall never know whether the government had made any money out of this or not, until they have paid all the claims. Then they may give us a report and say: we have received so much in the way of premiums and we have paid out so much for claims.

That will occur only when all the claims will have been paid for returned soldiers insurance. However, that, I think, has no bearing on your question as far as the department is concerned. It may have some bearing as far as the treasury is concerned.

Mr. WINKLER: It was only for my own information that I asked the question.

Mr. LALONDE: The question you asked was: why cannot the cut-off date be extended for all veterans? Wasn't that it?

Mr. WINKLER: That is quite right.

Mr. LALONDE: Well, I am afraid—I know you realize it—that I am not in position to tell you whether that could be done or not. It is government policy and it is your decision alone which will determine whether it is desirable or not.

The only thing I can do is to give you the pros and cons of the suggestion. In favour of it would be the argument that there should be the same cut-off date for everybody. That would be a strong argument in favour of it.

But against it, there is the precedent that you are extending eligibility for insurance up to a point where it might become dangerous for the government to accept new policies under low medical standards and invite veterans who have reached the higher age group to take out insurance which of course is less costly to them, but which might very well render your fund actuarially unsound.

The comparison between what was referred to as the civilian veteran, those who were discharged after World War II, and those who remained in the forces is perhaps not a proper one to make for this reason. As Mr. Black has explained, it was intended by parliament that the veterans of World War II would have first three years, then six years, and then ten years after discharge in which to be eligible for insurance.

At that time parliament decided that those who remained in the forces would have a certain period of eligibility which was until December 31, 1954.

This was made known to all the people interested, and quite a few of them took out insurance on that basis. But before this cut-off date came along, in 1950, when the Korean action started, the Department of National Defence amended the National Defence Act by placing on active service, not only those who served in Korea, but all of the regular forces.

This immediately resulted in the members of the regular forces who had served in World War II and who stayed on after the war being eligible under the Veterans Insurance Act for a period of ten years after their discharge from the regular forces.

This meant that World War II veterans, who stayed in the forces after the war, until they reached the age of 50—which might happen in 1965—would then be eligible for another ten years under the wording of the present act. I point out again this was not the intention of parliament, but it just happened that way.

For ten years from 1965 to 1975 they would be eligible for insurance. So, a man might say: I will take a chance. I will not take out insurance now, but consider the matter later.

When I am 55 or 60 I will pay the rate which was originally set for this type of insurance and I will take a straight life policy and may be I will only have to pay for five or ten years, yet my family will get the same protection.

Such action taken now by members of the regular forces would allow for that interpretation, and it has created a problem which did not exist before and which was not intended to arise.

Those who were in the regular forces prior to 1950 and who took out insurance at a younger age,—whether a 20-payment life or a straight life—had to pay certain fixed premiums.

On the other hand it was felt that it would be unfair to amend the act and to say to these people: we are going to take away this acquired right without giving you a chance to make up your mind between now and 1962 as to whether or not you are interested in this insurance.

That is the period we think is sufficient for these people to make up their minds, even if they are still serving. At the same time it does not project so far ahead that it will possibly create a dangerous situation for the insurance fund.

Mr. WINKLER: I have one more question: is it possible for you to get the information regarding the cost of the probable contribution?

Mr. LALONDE: We can try to get it.

Mr. STEARNS: And when you are getting it, Mr. Chairman, could you not—you have had almost 40 years of experience with the Returned Soldiers' Insurance Act now, and if your contribution, and the premiums paid were higher than the amount paid up to date, you would have a fairly good indication of what will happen with the veteran's cost alone.

If the fund is solvent now, you will probably have a pleasant future to look forward to.

Mr. LALONDE: You will see, when we come to another clause, that we suggest that you spend more money to pay some of the claims for present policies and the effect it will have on the fund. We know how much money that will require.

The elimination of section 10 from the act also creates another possible problem for the future.

If you open up the act at this stage for everybody, then,—because the provisions of section 10 are taken out of the act—all those who are pensioners and who are in bad health will want to take out insurance although they did not want to do so before. That is quite legitimate. You cannot blame them for it, but they are not the best risks from an insurance point of view. I think I am right in saying that the fund has remained solvent. This may be because 50 per cent of those who have taken insurance under either act are in perfect health; they are not pensioners and are therefore presumed to be in good health. Of course they are very good risks. They have helped to pay for the bad ones.

If we were sure that by extending the act we could get a good proportion of good and bad risks, then there would be no basic objection.

Mr. SPEAKMAN: Mr. Chairman, reading section 3(1a):

No contract of insurance may be entered into by the Minister after the 30th day of September, 1962 with a person who was discharged from the regular forces after the 30th day of September, 1947.

The interpretation there on "regular forces" I presume applies to the regular army and not the war time army?

Mr. LALONDE: No, sir, that is in regard to peace time service.

Mr. SPEAKMAN: In regard to the peace time army?

Mr. LALONDE: That is right, sir.

Mr. SPEAKMAN: If you were to interpret that another way it would re-open this to people who were discharged in 1945-46.

Mr. LALONDE: You will see that in order to cover everybody the Department of Justice had to insert two sections; the first one is subsection 2 saying that the minister can enter into a contract at any time before September 30, 1962, with a member of the regular forces who was not released from the said forces and who was engaged in service during World War II.

There are other people who had service in the regular forces but who were discharged for instance in 1954. Under the interpretation of the present terms of the act they would have had until 1964. We now say it was not intended that we should give them preferential treatment to that extent but we will give them until 1962 to make up their minds.

Mr. SPEAKMAN: In any event we would have to add a further amendment to re-open it?

Mr. LALONDE: Yes, for civilian veterans.

Mr. SPEAKMAN: In respect of people who returned to civilian life for one reason or another—age or any other reason?

Mr. LALONDE: Prior to 1947, yes.

Mr. BIGG: Do you propose to do that now?

Mr. SPEAKMAN: I would like to propose that we do that.

The CHAIRMAN: We can deal with that before we conclude our considerations in respect of clause 1. I think there are some more general questions first.

Mr. PETERS: The question I was going to ask has been asked by Mr. Winkler. However, I would like to go a little further.

I do not see why this information should not be available to the committee in respect of the financial statement of the fund itself.

Also, the federal government in some branch must have, I am sure, a group of people who are actuaries who would be able to arrive, in view of the old settlement act and the Returned Soldiers' Insurance Act, at actuarial figures in regard to what this would amount to. Personally I would not like to see it advanced so far that it would become detrimental, but at the same time I am in complete agreement with what has been said about extending it.

I think there has always been a tendency to assume, because someone is a pensioner, or because they are not medically fit for military service that their life expectancy has been cut down.

Maybe it is because we know them better, but I find that in the legion there is a larger percentage of older people than I find in any other walk of life probably because of the original medical treatment they received.

I think actuarially this coverage could be extended without harming the situation.

Mr. CARTER: Mr. Chairman, is it in order for this committee to make amendments which might cost the government money?

The CHAIRMAN: That is a problem we must face when we reach that point, Mr. Carter.

Mr. McINTOSH: I want to go further with my original question in regard to the year 1968 for all. Colonel Lalonde answered part of that question. He said it would be very easy to do this as far as administration is concerned, by wrapping it all up in a package policy.

I think we all agree that this has to do with veterans who were prematurely burned out as a result of war service. I think a lot of us here have aged because of our war services, whether we realize it or not.

The statement has been made that the fund is now solvent. It could be extended to 1968. Was this fund ever intended, in the first place, to remain solvent? I do not believe it was. If the figures show this fund can remain solvent then the ordinary insurance companies would take care of these veterans. This is a benefit for the families when this insurance is in force. Regardless of what happens the families which are left become a charge to some form of government, one way or another. What difference would it make if the fund was extended to 1958 for all veterans of the world wars? You say they would start taking out insurance in later years. They would be taking the chance on another five or ten years, that might be so, but if the veterans find they need this insurance and find they cannot get the insurance, it would certainly give them a great deal of peace of mind if the government would let them pay the premiums.

I do not know whether the premium increases as you get along in years or not. A veteran is in a little different position than the man on "civvy street". His ailment may not arise until later years. Some of the doctors that the veterans would go to see would agree that the ailment was not attributable to war service, but others say it was.

In the mind of the veteran there is always that doubt. If he had not been in the service he would not have this disability. I think this coverage should be extended to 1958 for all of them.

Mr. LALONDE: That is a matter of policy, Mr. McIntosh. This raises one point which I think should be kept in mind by the committee.

If veterans insurance becomes a veteran's benefit—by that I mean something which you give to the veteran—then all veterans who had service under normal conditions should get that benefit. This benefit should not be for the few who chose to take it.

At the moment the veterans who want to take out this type of insurance can do it within the period of eligibility. Only those who decide that they want the insurance receive the protection given under this act.

The greatest advantage, of course, is that they do not have to go through medical examinations.

Mr. McINTOSH: The only thing I wanted to point out there is that you have in the past extended it from one period to another—from 23 to 33, and then six years, eight years and ten years. When a young veteran was discharged after World War II he was busy raising a family. In the ten years when his children are young he has not the money to pay insurance premiums.

Mr. LALONDE: I am afraid we all went through that period.

Mr. McINTOSH: Everyone is entitled to this. There will be a lot of veterans who will not take advantage of it. I am not interested in the protection being offered to those who do not need it but to the ones who actually need it.

Mr. LALONDE: Would that not bring you right back to what I said? You would be covering only those veterans who consider themselves to be bad risks.

Mr. WINKLER: Mr. McIntosh, do you not think we should wait until we receive the information I asked for before we express an opinion?

Mr. STEARNS: I think it is amazing that under the Return Soldiers' Insurance Act that the fund is solvent after close to 40 years because many of the veterans of the first war came back suffering from gas injuries which could not possibly have been caused in any other way. They either died within the first 10 or 15 years or recovered through God's kindness. After 40 years it is amazing this fund is still the same.

Mr. LALONDE: World War I veterans were quite durable, Mr. Stearns. When we look at the ages of some of the veterans who are still receiving war veterans allowances we find that they are between 85 and 95 and still in pretty good shape.

Mr. HERRIDGE: Mr. Chairman, first of all as an older member of the committee I would advise the younger members not to touch too deeply into the durability of veterans of World War I.

Mr. Chairman, the deputy minister in his—as I consider it—very careful explanation of the delicate balance between the pros and cons of all these arguments indicates that he has great appreciation for the function of the senior civil service. I would like to ask him one or two questions.

Were these men in the regular army placed on active service by order in council?

Mr. LALONDE: By amendment to the act, I believe, sir.

Mr. HERRIDGE: By amendment to the act.

Mr. LALONDE: By amendment to the National Defence Act.

I am sorry, I have the right answer now, Mr. Herridge.

This happened first by order in council which was subsequently confirmed by amendment to the act.

Mr. HERRIDGE: Thank you.

Mr. ROGERS: The point that I see here is—I am wondering if I am right—we are giving the veteran who is in the regular force today something that his brother veteran could not get. In other words we are giving the veteran in the regular force up to 1962 to apply for this insurance.

Mr. LALONDE: You will realize, Mr. Rogers, that he had a shorter period of eligibility before.

Mr. ROGERS: I agree with that but I still do not think it is right. I think this is discriminatory.

Mr. McINTOSH: I do not agree with that. I think the brother veteran lost six years of his life at a time when he could have been earning something.

Mr. LALONDE: That is not what I meant. The veteran of World War II remaining in the regular force was eligible up to December 31, 1954 under the terms of the act. The veteran of World War II who was discharged from war service had ten years from the date of his discharge. If he was discharged in 1946 then he had until 1956, so he had a longer period than the man who stayed in the regular force. That is what I meant.

Mr. ROGERS: There is just one thing I want to point out. The veteran who was in the regular force had a better opportunity of taking that insurance out than many of the veterans who went back to civilian life.

Mr. LALONDE: You are speaking from a financial point of view?

Mr. ROGERS: Yes.

Mr. LALONDE: That is possible, yes.

Mr. BIGG: I believe there is another feature to this subject. In peace time service one is not subject to the same drain on mental and physical resources. At least not to my knowledge. Twenty years in the P.F. never killed anybody to my knowledge.

Mr. SPEAKMAN: Mr. Chairman, the same point is bothering me that is bothering other people here. A man who was, for one reason or another honourably discharged in 1945-46 was faced with the problem of complete rehabilitation after his war service whereas the veteran who remained in the regular army had his rehabilitation entirely taken care of for him.

There is no question in my mind but that the regular force today is very well looked after. To my mind service in any of our forces is as fine a career as any young man can choose.

I would like to, at the proper time, propose a further amendment to section 1 subsection 3(1a). Is this the proper time to propose such an amendment?

Mr. MONTGOMERY: Mr. Chairman, we are dealing, as I understand it, with this extension for the persons who are now in the regular forces, and only dealing with that. While we are discussing the extension of the period for which the veteran may take out insurance to the same date, I do not think we are in order in bringing in amendments to extend that time. At least, I am not prepared to support such an amendment at the moment.

I do not think we should continue to extend this insurance privilege to veterans who, as they get older and their life expectancy shortens, feel they want to help their grandchildren and people like that.

Mr. BIGG: The rates go up.

Mr. MONTGOMERY: The rates do not increase very much. I am inclined to think that this period to December 31, 1962 is just a little too long a period to give these members of the regular force an opportunity of taking out this insurance.

If I was going to propose an amendment to this at all I would say it should be cut down to 1960. I think these men should make up their minds pretty quickly if they want insurance.

Mr. HERRIDGE: Mr. Chairman, can we move an amendment?

The CHAIRMAN: I was just going to speak on that point.

Immediately we start amending the bill which we have before us we are faced with the problem that this committee may be moving an amendment that is going to increase the cost. This committee is really an extension of the House of Commons.

Unfortunately we do not have the information before us at the moment to regard to—

Mr. SPEAKMAN: The Standing Committee on Veteran Affairs can make a recommendation.

Mr. HERRIDGE: We can make recommendations.

The CHAIRMAN: Oh, yes. Just a moment, I have not finished my statement.

We have been endeavouring to discover the extent of the additional expenses that this will incur. Unfortunately we have not been able to obtain that information. There have been some strong hints that we should extend the privilege generally to 1962. This would upset the actuarial balance of the veterans insurance program. There has been a further suggestion that we extend this to 1968. Certainly we have no insurance that that would not disrupt the actuarial balance of this veterans insurance scheme.

Immediately someone proposes an amendment of this kind in a committee we have to face that hurdle. Will such an amendment mean additional expenses or will it not? If it does then we have no power to propose it. We do have the power to make strong recommendations to the House of Commons.

Mr. MONTGOMERY: That is exactly what I was coming to. If we want to make a recommendation that is something different.

Mr. SPEAKMAN: Mr. Chairman, at this point I would like to make a recommendation not only to extend the time, but that the terms of section 3(1a) be amended to include those veterans who for any reason whatsoever were honourably discharged from active service after World War II.

Mr. BIGG: Could we have some information in regard to the actuarial situation so if necessary we could recommend an increase in rates so there would be no drain on the treasury? If the objection is purely a monetary one the veteran could be charged the extra amount.

Mr. HERRIDGE: Mr. Chairman, if—

Mr. MCINTOSH: I would suggest that we—

The CHAIRMAN: Could you speak to the chair, please, one at the time?

Mr. BIGG: If it is only a question of drain on the treasury perhaps we could get around that by charging the veteran more for the protection he needs. He could still turn it down, but if he wanted it he could pay another three cents a hundred for it or whatever is required. A veteran may think he needs protection, but he may be wrong in thinking he needs it and may live to a ripe old age.

Mr. HERRIDGE: I suggest that we acquire all the information we can by going through these clauses of the bill as we are doing now and then have a special session of the committee to deal with the proposed amendments of the legion and other amendments that members of this committee propose, and after that general session we can tie up the report with our conclusions and recommendations.

Mr. SPEAKMAN: We are trying to re-open this so the active service veteran is given the same privilege as the regular army veteran.

Mr. LALONDE: Would you mind, Mr. Speakman, not using the term "active service" because that is what has caused all the confusion.

Mr. BEECH: Mr. Black, have you any knowledge as to the loss ratio as compared to other line companies?

Mr. BLACK: I beg your pardon?

Mr. BEECH: There has been a lot of talk about the added risk because they are veterans. What has been the actual loss ratio as compared to other line companies? Is it very much greater?

Mr. LALONDE: You are referring to the veterans insurance or the returned soldiers' insurance?

Mr. BEECH: The returned soldiers' insurance. That would give a better picture.

Mr. CARTER: Could I ask if it is possible for a member of the merchant marine, or the merchant navy to benefit under this legislation?

Mr. LALONDE: Their cut-off date was December 31, 1954, the same as the widows of veterans who had died during the war, and the same as firefighters and other groups.

Mr. CARTER: If we are going to give any extension to the other groups we certainly should include them.

Mr. LALONDE: That suggestion would be up to the committee to recommend.

Mr. CARTER: Yes, I would like to see the merchant navy taken care of.

The CHAIRMAN: Mr. Black will speak on this question.

Mr. BLACK: I have some information in answer to Mr. Beech's question which was, "Are our veterans surviving as long as policyholders in other companies"?

As you will appreciate, insurance companies do not accept everybody. They are rather restrictive medically. We do not have access as to their exact experience. Nor are we particularly interested because they select the group they want to insure. We can and have compared the death claim experience under veterans insurance with the general male population as revealed by census statistics.

We have found, for instance, in the last several years, that in each year the death rate among our policyholders is higher than the death rate among the general male population for corresponding ages. For instance in 1957-58 it was 113.9 per cent and the rate the previous year was 110, and in the previous year was 109, so there is somewhat of an increase which is due to the bad risks we knowingly take under the act.

Mr. LALONDE: There is another factor involved which makes it difficult for us to give you any accurate information as to what the extension would mean. There is no way of knowing the number of new policies that would be issued.

Since the dead-line in 1954-55 the superintendent of insurance has had, he tells me, approximately 300 inquiries from people who were interested in taking out new policies but who were told that their eligibility had expired. Does that mean that the response would be small or does that mean that a lot of people who might be interested in taking out new policies just do not come forward? We do not know the answer to that. We cannot tell you that this extension would cost so much, or would not cost anything.

Mr. McINTOSH: Can you tell us what the percentages are?

Mr. LALONDE: Yes, we can tell you that.

Mr. BLACK: In the period 1920-23 there were 33,577 policies issued. In the second period of five years 1928 to 1932 there were 14,732 policies issued. The number issued over the longer period was under half of the number issued in the earlier period.

Mr. STEARNS: There were quite a number of policies taken out during the depression period from 1928 to 1933.

Mr. WEICHEL: Mr. Chairman, one of the reasons I was in favour of the extension to 1968 for all veterans, and one of the arguments against it is that if we were sure that 50 per cent were of good health and 50 per cent disabled this probably would not have been carried on with. I find a lot of cases, not including myself, of course, of disabled veterans who take better care of themselves than the fellow who is supposed to be in good health and as a result probably live just as long. That is the reason I support this extension to 1968 for all veterans.

Mr. THOMAS: Mr. Chairman, Col. Lalonde gave us a resume of the arguments which may be used for this general extension of these privileges, and the arguments which may be used against it. My question is this; would it tend to minimize the arguments or decrease the arguments if this date were 1960 rather than 1962?

A supplementary question; why was the date 1962 chosen instead of some other date, and why the reduction of the time to 1960?

Mr. LALONDE: Your second question, Mr. Thomas, is a little easier to answer than the first question. The date of September, 1962 was chosen because for purposes of this Act World War II is supposed to have ceased in September, 1947. The date 1962 was also chosen for the purposes of the War Service Grants Act. Veterans who still have re-establishment credits available to them can use those credits to purchase insurance in spite of any other cut-off date in the insurance act. That means they have 15 years after September, 1947 or 15 years after their discharge to use their credits.

Since everybody was presumed to have been discharged for the purposes of re-establishment credits as of September, 1947, 15 years added to that would make it September, 1962. That would be the time when those who have re-establishment credits would stop being entitled to those credits for purchasing insurance.

In our opinion it is the logical date because it ties in with another group who have eligibility for veterans insurance because of the re-establishment credit angle.

Mr. THOMAS: This matter of using re-establishment credits was not a concern in regard to previous cut-off dates?

Mr. LALONDE: No, because at that time it had nothing to do with it. You must remember the act was amended in 1951. That is the last time this act was amended. At that time the eligibility was raised from six years after discharge to ten years after discharge.

In other words the decision was made at that time that the period of eligibility should be ten years. If there is a change in parliament's attitude now that, of course, is parliament's prerogative.

Mr. CARTER: In regard to the comparison of mortality rates that Mr. Black had out, comparing veterans experience with regular insurance companies' experience, is that since World War I or did that apply also to returned soldiers?

Mr. BLACK: What I read was not a comparison of our experience with insurance companies' experience but a comparison of our experience with the general male population. We must assume that the insurance companies would have even more favourable experience because they have a good selection.

Mr. CARTER: Yes, but do the figures which you gave out relate in the same way to returned soldiers?

Mr. BLACK: The figures I gave had to do with veterans insurance. I have the corresponding figures for the returned soldiers insurance. These figures will please perhaps the older members.

We now find that after the poorer risks, accepted under returned soldiers insurance, died, as they are now dying under the veterans insurance, the group of men who are old veterans are now not dying as fast as the general male population of their ages.

Mr. HERRIDGE: That is a cheering statement.

Mr. BIGG: I would also like to have a breakdown there of those people who took out the insurance. Is there any breakdown in respect of whether they were wounded, or whether they were pensioners and so on? It seems to me that perhaps the group who are receiving this insurance are different and the facts therefore might be very misleading.

Mr. BLACK: We do not have statistics as to the number who were wounded particularly but we do know how many pensioners there are.

Mr. BIGG: Yes, that would show a medical disability of some kind.

Mr. BLACK: Of the 28,778 policies now in force, 11,133 are pensioners.

Mr. BIGG: Have we any breakdown as to whether these disabled people are included in this figure, up to 115 per cent?

Mr. BLACK: They are contributing toward it, yes, because they are the poorer risks. We have a good many standard risks for some reason or other who are using re-establishment credits, and are in perfectly good health.

Mr. BIGG: The point I am trying to get at is, if we are going to insure people who have no disability I think the figures would show that they are not going to be in the 115 per cent category of "diers", they are the ones who are going to survive and from an actuarial point of view are sound risks.

We are not going to get around the disabled men but if we broaden this category they will live a long time and contribute to the cost of the others.

Mr. LALONDE: We get a lot of risks, good and bad.

Mr. BIGG: That is so, but what I had in mind was that this insurance was intended to cover the fellow who had something wrong and had got the idea that there was nothing left and because of his conscience in respect of his own family he took out this insurance.

In so far as that type of person is covered I think that is the main purpose of this protection.

Mr. ROGERS: After listening to these statistics I am convinced that the soldiers who are veterans living today, are pretty strong. These figures bear that out. I am worried about this and would like to mention this; you have just mentioned this other group who have just taken up their re-establishment credits who are to receive this consideration. I think this period should be opened up to 1962 for all World War II veterans.

Mr. HERRIDGE: I agree with that.

Mr. LALONDE: Those who have credits can take out insurance.

Mr. ROGERS: That is what I say, the ones that have not anything paid. I have had a paid up policy for 20 years and I am not getting any interest. If I am going to live another 20 or 25 years it might be a good idea for me to sell my insurance and take out this new victory bond.

I think there are a lot of good risks around yet.

The CHAIRMAN: That is a personal financial problem that you will have to resolve yourself. I am afraid the committee cannot advise you on that.

Mr. HERRIDGE: Which clause are we dealing with, Mr. Chairman?

The CHAIRMAN: Clause 1.

Mr. CARTER: I think the more information we can get in this regard the better. The experience in regard to the history of the returned soldiers insurance may be most favourable. I would like a little more detailed account of this history, if possible.

Would this be a fair statement; this fund is now still solvent after 40 years. During that 40 years we went through a period when we had a group of veterans whose mortality rate was higher than the general mortality rate for the population as a whole. We were able to absorb that extra drain. There were still enough good risks to keep that fund solvent.

If that is a true account of what happened under the returned soldiers' insurance surely we can expect the same thing to happen under this war veterans' insurance if it were extended as some members would like to see it extended. I just wonder if I have the proper picture. Could Mr. Black tell us if that is fair statement?

Mr. BLACK: There is one point which perhaps has not come to the members' attention. Section 10 of the act, which this bill proposes to repeal, has had an effect on the fund over the years. That is the section which reduced the amount the fund had to pay because a pension became awarded upon the death of the insured. Since the inception of the Returned Soldiers' Insurance Act, the amount of death claims has been reduced by \$2,534,000. That is the money which the fund has not had to pay because of the nature of the death.

Mr. THOMAS: Mr. Chairman, I have a question on that particular point of Mr. Black's. For the purposes of further discussion I would like to know whether or not with the elimination of section 10 this insurance becomes a much more favourable policy?

Mr. BLACK: It undoubtedly does for those whose death will occur during the premium-paying term. If section 10 is eliminated the policy is more favourable because it provides full protection instead of limited protection as it does now.

This comes under another clause of the bill we are going to consider in due course. The estimated total cost of eliminating this section 10 in the future would cost on the basis of existing policy in the neighbourhood of just under \$1 million.

Mr. THOMAS: Mr. Chairman, would that be per year?

Mr. BLACK: This is the total from now on for all policies now in force.

Mr. THOMAS: That is under the present limited application of the act?

Mr. BLACK: That is the present application of the Veterans' Insurance Act, section 10. We anticipate that if section 10 is repealed we will have to pay nearly \$1 million that we would not have to pay.

That figure does not include the policies that may be issued in the future?

Mr. BIGG: That amount would come out of the fund.

Mr. BLACK: That would come out of the fund, if the fund is able to bear it, yes.

The CHAIRMAN: On the point Mr. Thomas raised, I think we are dealing with clause 3. Let us stick to clause 1. Have we completed our discussion; if so, I have one or two little problems to resolve here. As I understand the sense of the committee, Mr. Speakman has recommended that we accept the Legion proposal for an amendment to this clause, and refer the recommendation back to the committee of the whole. On the other hand Mr. Herridge has suggested that we have a further sitting of this committee to obtain all the relevant facts and deal with the whole matter in this committee.

Mr. HERRIDGE: Yes; I suggest that after we have all the information possible we have a session of the committee to draft our recommendations as a result of the discussion.

Mr. ROGERS: I think that is right.

Mr. MACRAE: In other words have this clause stand at the moment.

Mr. BEECH: I think we can pass this clause, Mr. Chairman, and make new recommendations.

The CHAIRMAN: There is the possibility that this discussion will continue back in the House of Commons.

Mr. HERRIDGE: And I think you should accept some guidance from this committee, as a result of our discussion.

The CHAIRMAN: We have had the proposal that this committee recommend consideration.

Mr. HERRIDGE: Yes, but there are other proposals being made.

Mr. BIGG: There is no objection to it as it stands. The amendment does not alter the fact; it merely extends it, does it not?

The CHAIRMAN: What was that?

Mr. BIGG: There is no objection so far as I can see to passing these bills as they stand. It is merely to extend them at some future date after further discussion and further information.

Mr. WINKLER: May I suggest this, that if Mr. Lalonde can furnish us with actuarial information which was requested, I think it might have a tremendous bearing on any recommendation coming out of this committee, and for that reason and for that reason alone, I would agree with Mr. Herridge.

Mr. STEARNS: May I add this, that in clause 4 the purpose of the new provision is to extend the date from October 31, 1958 to September 30, 1962.

The CHAIRMAN: Which clause is that?

Mr. STEARNS: In other words this bill would be shelved. It has to be dealt with at the present session of parliament. Whatever we want to do in the future is one thing; but it has to be passed. Otherwise the act is ended on October 31, 1958; so whatever we do has to be recommended.

Mr. LALONDE: That is for the Korea veterans.

Mr. BIGG: It still affects somebody.

Mr. BEECH: I do not think the Legion objects to this bill as it stands, except that they want this other amendment.

Mr. HERRIDGE: It is agreed.

Mr. BIGG: We are satisfied in so far as it goes. The only objection is, do we want it to go further? It will have to be discussed further.

Mr. HERRIDGE: Definitely, Mr. Chairman.

Mr. BIGG: Is there any objection to passing this as it stands.

Mr. HERRIDGE: I would object. When we pass a clause as it stands, we are giving approval of it as it stands.

The CHAIRMAN: A suggestion has been put forward that the recommendation of the Legion amendment be taken into consideration in the house.

Mr. BEECH: And if the recommendation is accepted by the house—

The CHAIRMAN: In other words further discussion will take place in the house.

Mr. HERRIDGE: Or in committee. I agree to that, if the committee also agrees to recommend the further amendment as recommended by the Legion.

Mr. BEECH: I will second that motion put forward by Mr. Speakman.

Mr. THOMAS: Let us get this clear. I do not see how the committee can logically do two things. We are either satisfied with this bill as it is or we are not satisfied with this bill as it is. Let us make our position clear to all concerned. To pass the bill with the recommendation that certain things should be done appears to me to be unwise. We should make up our own minds before we make a recommendation to the house and if we are satisfied with this bill as it is, then let us report it as such.

Mr. HERRIDGE: We appreciate the improvement but we recommend further improvements.

Mr. BIGG: Yes, further improvements.

The CHAIRMAN: On the point raised by Mr. Thomas, it is not uncommon for parliamentary committees to make recommendations to the house. In fact that is one of the functions of the parliamentary committee. But we are faced with this problem, that we cannot move amendments which increase expenditures. It is not within our power, not within the power of this committee. We do not have the facts before us, as to whether this would involve increase expenditures—but we strongly suspect that it will.

Now, we can hold the bill, if we wish, and discuss it further and try to get that information, or we can pass the bill as it is, with a recommendation, that this amendment suggested by the Legion be taken into consideration by the House of Commons—because we go through all the stages of the bill in the House of Commons. Discussion here does not finalize the matter.

Mr. HERRIDGE: If we do that, if we pass a recommendation to amend this section or any other section involved in this bill, we have expressed our opinion. Then the steering committee will draw up a report which will come before the committee at a session in camera.

The CHAIRMAN: Yes.

Mr. MONTGOMERY: Mr. Winkler has asked for information and the deputy minister said he is going to try to get it for us. This might affect the recommendation. But if we pass it now, I feel we would be voting on something before we have all the information. I would prefer to see that section stand, and you can go on with the other sections. Then, when we get the information, if it is available, we can consider the motion before us now, later.

Mr. WEICHEL: I would suggest we accept the motion, and if we wish to put in an amendment, let us vote on it.

The CHAIRMAN: I am just looking at this motion as it has been put before me in writing.

"That the terms of section 1 subsection 3(1a) be amended to include those veterans who for any reason were discharged honourably from active service after World War II".

That is a motion to amend the bill.

Mr. BIGG: He did not say that. He said he wanted consideration to be given to the motion.

The CHAIRMAN: In that case, we have to meet in camera to consider our report to the house. All we have to do is to include the recommendation in the report. No motion is necessary.

Mr. McINTOSH: I do not think that we are in favour of this bill as it is. I think we are in favour of the Legion's recommendation, plus something else. So how can we say that we approve of this? We are not in favour of this bill; we are in favour of the Legion's recommendation, and we want to go further.

Mr. BIGG: What is your objection to this bill in that way, then?

Mr. McINTOSH: Because it does not include what the Legion requests.

Mr. BIGG: But there is a question of including permanent approval of certain privileges. Do you agree with that as far as this bill goes? If you want something more, that does not say you do not approve the bill, you merely wish to include more.

Mr. McINTOSH: No, I am not in favour of what it says. I want it to include all classes up to 1962. Therefore I am not in favour of this bill on the basis up to 1962.

Mr. BIGG: I do not see that, at all.

Mr. BEECH: Would not that come under the subparagraph? It does not come under the subparagraph we are discussing now.

The CHAIRMAN: No, what Mr. McIntosh is saying now—

Mr. BIGG: All or nothing at all.

The CHAIRMAN: The proposed amendment involves an increased expenditure, and we have no power to make it.

Mr. WINKLER: But do you know that?

The CHAIRMAN: Well, on the information Mr. Black has given—and I have been listening carefully—I understand it will upset the actuarial balance.

Mr. BLACK: We cannot predict exactly who will take our policies. That is the whole feature of it. We can anticipate generally the people who anticipate benefit from it,—that is, people in poor health who will take out a policy more readily than those who are good risks, and whom insurance companies have been after.

Mr. WINKLER: I would like to see those figures to substantiate that statement, and then I would make a statement as to what I suggest might be done here.

Mr. BLACK: We cannot predict what is going to happen. We can only say that under the Returned Soldiers Insurance Act, after a period of time, closed down from 1923 to 1928, there were some 14,000 policies issued which was less than half of those issued previously, which were approximately 33,000.

Mr. WINKLER: I think the information I requested would have a bearing on what the members of the committee might decide. I feel that very sincerely. I cannot do it until those figures are presented and I would not vote on anything until I see them.

Mr. McINTOSH: I agree with Mr. Winkler. We should make our decision then.

Mr. HERRIDGE: Shall we let this section stand until a later meeting?

The CHAIRMAN: We can let the section stand and proceed with the other sections; but it means the bill stands too, of course.

Mr. BIGG: Could we ask for a vote? I do not think two men should have the full say in the committee.

Mr. WINKLER: I agree.

The CHAIRMAN: All right.

Mr. BIGG: Whether or not we send the bill forward as it is, or we call for other information concerning the amendment.

The CHAIRMAN: It has to go to a vote before we pass clause 1. Is clause 1 agreed to? All those in favour will say "yea".

Some hon. MEMBERS: Yea.

Mr. BEECH: What is the vote on?

The CHAIRMAN: It is on carrying clause 1. Is clause 1 agreed to?

Mr. THOMAS: May we raise one more point?

The CHAIRMAN: We are voting now, Mr. Thomas.

Mr. THOMAS: If we carry this clause we are eliminating this proposal which has been made.

Some hon. MEMBERS: No, no.

Mr. SPEAKMAN: We cannot get that further amendment in at this session. We do not want to impede passage of this bill, which does provide an improvement.

Mr. THOMAS: I think we are wrong.

The CHAIRMAN: Let us get clear what we are doing here, gentlemen.

Mr. THOMAS: That is what I say.

The CHAIRMAN: This is not the end of this bill. It goes back to the House of Commons for consideration and passes through all the stages that any bill passes through in the House of Commons. So, you are not cut off from any future discussion. Now, at the moment, we have put the motion before you. Is clause 1 agreed to? If this does not carry, the bill is in trouble. Immediately—we cannot refer it back to the house.

Mr. THOMAS: As I understand it, if clause 1 is agreed to, we have finished with clause 1 in this committee.

The CHAIRMAN: In this committee, yes.

Mr. THOMAS: Now you say it is still open to debate in the House of Commons. That is what we are trying to avoid. This committee is set up for the purpose of trying to go through this bill, and to save the time of the house. If this committee is not agreed as to what we should do, then we are leaving the thing wide open. My suggestion is that this committee should decide what to do.

The CHAIRMAN: You know you can bring any amendments you wish before the House of Commons. This committee is merely a standing committee to which the bill has been referred for a discussion of details, to hear representations by veterans groups, such as the Canadian Legion, and to make a report back to the house. I understand the report we are going to make is that amendments be considered.

Mr. HERRIDGE: That is the whole point.

The CHAIRMAN: This is not closing the door.

Mr. HERRIDGE: Then in addition the steering committee will make a report based upon the decisions here, and it will come before the committee, in camera, which will include what the committee decides; and that report goes to the House of Commons.

The CHAIRMAN: Exactly. This is not closing the door. The real work on the bill is in the House of Commons. It has been done many times.

Mr. THOMAS: We have this suggestion of another meeting in camera, where does that come in?

The CHAIRMAN: We always conclude our committee meeting in camera, to consider our report to the house.

Mr. McINTOSH: You said that if we do not agree to clause 1 now, we are in trouble. What is the harm in waiting until we get the information we are asking for?

The CHAIRMAN: Well, we can let it stand, but when we get the information, I do not know whether or not this committee can proceed to amend it.

Mr. McINTOSH: What is the procedure? Suppose they do agree to amend it?

Mr. BEECH: I asked this question before and I did not get an answer. Could we amend this section as it now is to give effect to what Mr. Speakman and other members are asking for. Would not it have to be the subject of a new amendment in the act altogether?

The CHAIRMAN: Yes, in all probability I would say that with the recommendations of this committee in our report back to the house, the bill would come before cabinet again.

Mr. HERRIDGE: It would carry a lot of weight.

Mr. FORGIE: Not necessarily.

The CHAIRMAN: Only the executive arm of government can introduce amendments which involve additional expenditure.

Mr. McINTOSH: If we accept it as it is now, what happens to the Legion's present brief?

The CHAIRMAN: It is included in our report back to parliament, as a recommendation.

Mr. HERRIDGE: That is the point.

Mr. McINTOSH: Can it be put into force this session?

The CHAIRMAN: If parliament decides, yes. Is clause 1 agreed to?

Clause 1 agreed to.

The CHAIRMAN: We have had a very good lesson in committee procedure this morning.

On clause 2—Annuity, variation of mode of payment.

Mr. MONTGOMERY: I have a question on clause 2. As I understand it from now after this amendment goes through and is passed there will be \$1,000 payable instead of \$500.

Mr. LALONDE: No, all it does is this. If a veteran was insured for \$2,500 the minister has authority to pay \$2,000 in a lump sum to his beneficiary and since the residue is \$500 or more, he has to pay it in an annuity. This would enable the minister to add to the \$2,000 lump sum up another \$1,000 so that if the man was insured for \$3,000 the minister, in his discretion, could pay the \$3,000 in a lump sum.

Mr. MONTGOMERY: And previously he could only pay \$500.

Mr. LALONDE: Less than \$500.

Clause 2 agreed to.

On clause 3—Repeal.

Mr. KENNEDY: I wonder if I might have an explanation on this clause as to how this does affect pensioners; that is a 50 per cent pensioner who leaves a widow and family who are eligible for pension. Of what value is the insurance to him under those circumstances?

Mr. BLACK: I have an explanation prepared to answer your question.

Clause 3 of the Bill repeals Section 10 of The Veterans Insurance Act. Following the reasoning employed in the designing of the Returned Soldiers Insurance bill a similar provision with respect to the limitation of proceeds in the event of the award of a pension under The Pension Act on the insured's death was incorporated in this Act. The basis of the calculation of the amount differs from that under The Returned Soldiers Insurance Act in that the amount of insurance above \$500 is paid, broadly, in proportion to the part of the premium paying term of the policy that has elapsed; for example, if a policyholder with a \$5,000 contract on the 20 Payment Life basis dies after 12 years and a pension is awarded, the amount payable to his widow, the beneficiary, would be \$500 plus about 12/20th of \$4,500. If it had been a 10 Payment Life policy it would have been paid in full because the premium term had expired. By repealing this Section, the award of a pension on the death of a policyholder would have no bearing on the amount of the policy proceeds. As under the other Act, the maximum effect of this provision is felt if death occurs during the early policy years. The estimated future cost of this amendment would be nearly \$1,000,000.

Mr. BIGG: That is on the rate of death.

Mr. BLACK: In the event of a policyholder dying and a pension, under the Pension Act, being awarded to his widow, the proceeds of the policy are limited if he dies during the premium paying term, during the 20 years of the twenty-pay-life policy.

Mr. LALONDE: This would mean that the face value of the policy paid in all cases would not be affected by the award of pension.

Mr. BIGG: It removes the reduction in the face value of the policy.

Mr. KENNEDY: This repeals what he has explained. There is no difference now between pensioners.

Mr. LALONDE: If this amendment is passed; there will not be any difference.

Mr. HERRIDGE: Mr. Chairman, in view of the deputy minister's infinite capacity to explain the inscrutable, I would like him to advise the committee what he considers was in the inner recesses of the former government's mind when they repeatedly refused the Legion request with respect to the repeal of this section.

Mr. LALONDE: May I be excused, Mr. Herridge.

The CHAIRMAN: I pass no comment.

Clause 3 agreed to.

Clause 4 agreed to.

Title agreed to.

Shall I report the bill? Just one moment here, there are some outstanding questions of which I am reminded in response to a query by Mr. Winkler. So I suppose we shall have to hold the bill open.

Mr. WINKLER: As far as I am concerned, on Mr. Lalonde's explanation, that will not be necessary. It may follow that it may have a bearing on the recommendations by the committee.

Mr. BEECH: Is the bill accepted with the following recommendations?

The CHAIRMAN: That is right and this committee will make up its mind in that respect.

Mr. HERRIDGE: The bill will be reported to parliament with the recommendations after our meeting in camera, not previously.

The CHAIRMAN: That is true.

Mr. BIGG: We will get some more information.

The CHAIRMAN: We will report the bill without amendments but with recommendations.

Mr. STEARNS: Are we having a meeting tomorrow morning?

The CHAIRMAN: No meeting has been scheduled for tomorrow morning. We have been meeting regularly on Thursday mornings. We now have to make up our minds when we shall meet further to consider our report on these bills and also to consider what further business shall be taken under consideration at this time. Perhaps we could have a special meeting of the steering committee at the call of the chair.

Agreed to.

Mr. BIGG: I wonder if the Canadian Legion witnesses have anything else which they would like us to consider at a subsequent meeting.

The CHAIRMAN: The Canadian Legion will be making a general representation to the cabinet, as has been customary, around November 11, I believe.

As Mr. Burgess intimated in his opening remarks he will be appearing before this standing committee at a future session.

Mr. CARTER: Mr. Chairman, is there any way in which the answer to the question asked by Mr. Winkler can become a part of the record? Our discussion of this morning is not complete without that information. This is going to be referred to again.

The CHAIRMAN: That information, I assume, will be before the House of Commons.

Mr. CARTER: May we have a motion that this information be tabled and become a part of the record.

STANDING COMMITTEE

The CHAIRMAN: At the next session of this committee that information can be brought down and included in the record before we go into camera. We will have to call the steering committee together to make plans for future meetings.

Mr. SPEAKMAN: Who are on the steering committee?

The CHAIRMAN: Messrs. Lennard, Montgomery, Kennedy, Herridge, Rogers, Forgie, Cardin, and myself.

—The committee adjourned.

HOUSE OF COMMONS

First Session—Twenty-fourth Parliament

1958

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

Including Fourth Report respecting
Bill C-34—An Act to amend the Veterans Insurance Act.

THURSDAY, JULY 24, 1958

WITNESSES:

Mr. Lucien Lalonde, Deputy Minister, Department of Veterans Affairs,
and Mr. C. F. Black, Superintendent, Veterans Insurance.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON VETERANS AFFAIRS

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Vice-Chairman: G. W. Montgomery, Esq.

and Messrs.

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Batten	Houck	Regnier
Beech	Jung	Robinson
Benidickson	Kennedy	Rogers
Bigg	Lennard	Speakman
Broome	Lockyer	Stearns
Cardin	Macdonald (<i>Kings</i>)	Stewart
Carter	MacEwan	Thomas
Clancy	MacRae	Webster
Denis	McIntosh	Weichel
Fane	McWilliam	Winkler
Forgie	Ormiston	Roberge
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

REPORT TO THE HOUSE

The Standing Committee on Veterans Affairs has the honour to present its

FOURTH REPORT

Pursuant to the Order of Reference of Wednesday, July 9, 1958, your Committee has considered Bill No. C-34, An Act to amend the Veterans Insurance Act, and has agreed to report same without amendment.

Your committee heard representations from the Canadian Legion with respect to further proposed amendment to the Bill. In particular the Legion recommended changes to ensure that all veterans would be treated equitably under the legislation.

In the view of the Committee, the proposed amendments may result in an increased charge upon the public. Therefore, your Committee feels that it has no option under the Rules of the House but to report the Bill without amendment.

Your Committee, however, agreed that an amendment is desirable and therefore recommends that the Government consider the advisability of further amending Bill C-34 so as to provide that all those formerly qualified to take out Veterans Insurance may do so up to the 30th of September, 1962.

Respectfully submitted,

Walter Dinsdale,
Chairman.

MINUTES OF PROCEEDINGS

House of Commons, Room 268.

THURSDAY, July 24, 1958.

The Standing Committee on Veterans Affairs met at 10:30 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Beech, Bigg, Carter, Clancy, Dinsdale, Fane, Forgie, Kennedy, Lennard, Lockyer, Macdonald (*Kings*), MacEwan, MacRae, McIntosh, Montgomery, Ormiston, Parizeau, Regnier, Rogers, Speakman, Stearns, Stewart, Thomas, Weichel.

In attendance: Mr. Lucien Lalonde, Deputy Minister of the Department of Veterans Affairs; Mr. F. L. Barrow, Departmental Secretary; Mr. J. G. Bowland, Chief, Research and Statistics; Mr. C. F. Black, Superintendent of Veterans Insurance, Mr. W. G. Gunn, Q.C., Director of Legal Services, and Mr. G. H. Parliament, Director-General, Welfare Services.

Mr Lalonde and Mr. Black were recalled. They gave answers to questions asked at the previous sitting in relation to Bill C-34, An act to amend the Veterans Insurance Act.

At the conclusion of their examination the witnesses were thanked by the Chairman for their valuable assistance.

The Committee then continued, in camera, to consider the Fourth Report to the House which, after considerable discussion, was adopted.

At 12:15 o'clock p.m. the Committee adjourned to meet again at 10:00 o'clock a.m. Thursday, July 31st, 1958.

Antoine Chassé
Clerk of the Committee.

EVIDENCE

THURSDAY, July 24, 1958.

10:30 a.m.

The CHAIRMAN: Gentlemen, we have a quorum. In view of the excessive humidity, I think the first item of business would be to suggest that you make yourselves as comfortable as possible under the circumstances.

We had anticipated receiving the children of war dead amendments this morning. Unfortunately, they have not cleared through the House of Commons as yet. In view of that our business this morning will be taken up largely with clearing up the outstanding items of Bill C-34 and I think in that connection there were some questions presented to the officials of the department by various members of the committee. At this time the deputy minister will give the answers to these questions.

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): Before I deal with the answers to the questions, Mr. Chairman, could I make a couple of corrections in the record.

One of these corrections is a minor one which deals with a typographical error. It is found at page 159 of the record. In talking about the payments to the Corps of Commissionnaires, I am quoted as saying, "in addition there is a payment made to the headquarters of the corps varying from 9 to 30 cents per hour". The proper figures are 9 to 13 cents.

Mr. MONTGOMERY: Would you please repeat those figures.

Mr. LALONDE: 9 to 13 cents instead of 9 to 30 cents.

The second error appears at page 203 of the record and this time the error is all mine. I am afraid that I trusted too much to memory. On a question by Mr. Herridge with respect to how the regular forces were placed on active service I said "This happened first by order in council which was subsequently confirmed by amendment to the act." I am afraid I reversed the procedure when I answered that question. The right answer is that by section 32(1) of the National Defence Act which was assented to on the 30th of June, 1950, authority was given by the act for the governor in council to place the Canadian forces or any service component unit or other element thereof, or any officer or men thereof on active service anywhere in Canada and also beyond Canada for the defence thereof at any time when it appears desirable so to do by reason of an emergency.

You will note the act was approved on the 30th of June, 1950. By virtue of that authority given by the act on the 9th of September, 1950 the governor in council did place the regular forces on active service, so that the proper sequence of events is not the way I gave them the first time; it was just the opposite. The act came first and the order in council second.

The CHAIRMAN: While we are on the matter of making corrections in the record, are there any other members who would like to make corrections? In checking through the record myself I notice one error. A statement made by Mr. Beech, as I recall it, was attributed to Mr. Rogers. Did you notice that?

Mr. ROGERS: No, I did not.

The CHAIRMAN: It is towards the latter part of the report. It was at the last meeting, report No. 5. I will read it out to you Mr. Rogers and I think you will recognize it as having come from a source other than yourself. I have not made a note of it but I think I can lay my finger on it. Yes, it is at page 208 of the report. Mr. Rogers, did you say this the other day: "That is what I say, the ones that have not anything paid. I have had a paid-up policy for 20 years and I am not getting any interest. If I am going to live another 20 or 25 years it might be a good idea for me to sell my insurance and take out this new victory bond."

Mr. ROGERS: That is not my statement.

The CHAIRMAN: I knew it was Mr. Beech who made that statement. Are there any other corrections in the record?

Mr. MACDONALD (*Kings*): Are we dealing with corrections just in the last report?

The CHAIRMAN: If you wish to make any other corrections in the report as we have it up to the present moment, you may do so.

Mr. MACDONALD (*Kings*): I have one correction in the first report, but I have not a copy of the report here. Could it be dealt with at a later meeting?

The CHAIRMAN: Yes, at a future meeting. Now, Mr. Lalonde, could we have the answer to the question?

Mr. LALONDE: There was a question raised in dealing with Bill C-34 as to what was the percentage of veterans who had served in Korea who had also had service in World War II. The answer to that is that 77 per cent of the Korean veterans were also veterans of World War II. Out of a total of 7,211 who were recruited for the special forces brigade, 6,490 had served in World War II. Out of 14,855 regular force personnel who served in Korea, 10,400 had served in World War II. So that out of a total of 22,066 who served in Korea in the army, 16,890 had served in World War II. This gives us a percentage of 77 per cent.

Mr. ROGERS: Thank you very much.

The CHAIRMAN: Are there any questions on those two items that have been brought before the committee?

Mr. LOCKYER: I would just like to say that is a very high percentage.

Mr. LALONDE: Well I think possibly sir that was due to the fact that there was a very short interval between the end of World War II and the beginning of the Korean action.

The next question was asked by Mr. Winkler, I believe, and it had to do with information about the financial status of the insurance funds. As I had undertaken to do, I have had a meeting with the representatives of the Department of Finance to discuss these two funds which, as you may know, form separate parts of the consolidated revenue fund. The view taken by the Department of Finance is that these insurance funds cannot be considered in the same manner as reserve funds which are usually maintained by commercial insurance companies. The obligations of our insurance contracts are statutory and therefore there cannot be any limitation imposed because of insufficiency of premium income. Whatever the liability is to the government, it has to be met whether or not there is money in the fund. In each of the funds the income consists of premium payments and amounts for policy adjustment which are similar to premium payments. In the past there have been some additions by the government of interest and contributions required to ensure the solvency of these

two funds. The estimates of future requirements to enable the payment of the insurance moneys are computed each year by the actuaries of the Department of Insurance and each fund is adjusted annually to bring it into equality with the liability.

Under the returned soldiers' insurance the maximum amount of the future liability which is the face amount of insurance in force on March 31st of this year was \$22,644,411.67. This is a fixed amount because as you know there are no new policies issued under that act. But in addition to this amount there are continuing annuity payments and certain other payments on claims already incurred which must be met.

The amount standing in the fund as of March 31, 1957 was \$17,320,080.30. The premium income for the last fiscal year was \$148,673.57. On the other hand, the insurance moneys paid amounted to \$1,260,098.18. In other words, during the last fiscal year the fund collected a little over \$148,000 and paid out in claims over \$1 million. Thus you will see in order to enable payment of all claims as they occur, it will be necessary at some time in the future to make contributions to the fund.

Mr. McINTOSH: Will you repeat this last part again which has to do with the amount taken in by premiums being more than the amount paid out?

Mr. LALONDE: Yes, that is correct, because in the returned soldiers insurance we have a lot of paid-up policies and the amount of premiums that are coming in now on the straight life policies will come down all the time. On the other hand, our claims are bound to at least be level for a while because of the insured reaching a certain age limit where the mortality rate is bound to increase.

Mr. McINTOSH: It is hard to reconcile the figures you gave in the first place. The amount that can be expected to be taken out of the fund is \$22 million and the amount expected to be paid back is \$17 million.

Mr. LALONDE: That is the amount paid in.

Mr. McINTOSH: There is a difference of \$5 million.

Mr. LALONDE: Yes.

Mr. McINTOSH: On the figures you gave on the one year only \$148,000 was paid in and \$1 million—over a million—was paid out last year.

Mr. LALONDE: Yes, that means that some time the government will have to pay into the fund some money to make up the difference that you are referring to, the \$5 million. That supplement is a normal insurance procedure. The government having undertaken to make good all the claims of the policies has to put in some money to achieve that purpose. The commercial companies usually do it by earning interest on the premium income and crediting it to the reserve. The government instead of doing that simply says, "whatever money you need to pay the claims we will supply".

Mr. McINTOSH: In the last number of years they must have been accumulating or taking in more than they paid out to build up that fund to \$17 million.

Mr. LALONDE: Up to a certain time they did.

Mr. McINTOSH: At what time did it get to the ratio you have there now of 1 to 10?

Mr. LALONDE: Mr. Black will answer that question.

Mr. McINTOSH: It is just an observation I made.

The CHAIRMAN: You want to know when the balance changed?

Mr. McINTOSH: Yes, as it has gone so far to one side.

Mr. C. F. BLACK (*Superintendent, Returned Soldiers' and Veterans Insurance, Department of Veterans Affairs*): We cannot answer your question exactly, but from the records we have during the first few years of the scheme, having accepted a great many poor risks, the payments paid out were in excess of the income received. However, that shortly was reversed and the funds began to accumulate. We have no date and it would not be a definite point in time—possibly some time in the last few years—where the income was exceeded by the disbursements. The fund has progressed gradually to its present status. The tendency will be from now on of course for the fund to decrease more rapidly than in the past because the total claims are accumulating now at a faster rate and premium income is dropping.

Mr. ROGERS: I have one question in regard to the accumulation of money; does the government allow interest on it?

Mr. LALONDE: No, that is what I tried to explain. Instead of building up a reserve as commercial companies do by having their money earn interest on mortgages, for instance, the government does not do that. The government says: instead of building up a reserve we will give you the money to operate now and give you what you need in the future to pay your claims.

Mr. THOMAS: In defence of the scheme we could say that the government over all these years have had free use of that money without interest.

Mr. LALONDE: No, on the Returned Soldiers Insurance Fund they have paid interest to keep it solvent and bring it to the point where it is now but, whether you call it interest or contribution, they have paid more money into the fund than at the time when the fund was in the red.

Mr. THOMAS: And it is expected you will have to continue to put money in?

Mr. LALONDE: Not now, but the day will come when they probably will.

Mr. LOCKYER: Was there not a lump contribution made to the fund to start it off?

Mr. LALONDE: No sir.

Mr. McINTOSH: Well, there would be no need to put anything in until that \$17 million odd has been expended. Money doubles itself at 6 per cent, does it not, in 10 years?

Mr. LALONDE: I am afraid I am not competent to tell you whether that is right or not.

Mr. McINTOSH: Well, they say it does. So therefore the fund has been solvent all along on an actual business basis and the government has had the use of that \$17 million so they should be putting interest in it.

Mr. BLACK: Well their contribution, as the deputy minister explained may be considered as being in lieu of interest.

Mr. LALONDE: In my statement I think I mentioned interest or contribution.

Mr. McINTOSH: That is right, but it left the wrong impression as to actually what was going on.

Mr. LALONDE: That is the point I am trying to make.

Mr. McINTOSH: It depends on how much has to be paid out.

Mr. LALONDE: That is right, and the government puts in more money on the basis of having to meet increased claims at any time.

Mr. LOCKYER: Then, Mr. Chairman, do I take it that the \$17 million is a matter of bookkeeping?

Mr. BLACK: The \$17 million is a figure which the Department of Insurance computes as being the amount which under the mortality tables in use represents a fair estimate of the present value of future requirements. Now, the right way to do this in the insurance industry is to keep what they call an actuarial reserve on a sound basis. That is what has been done.

Mr. LOCKYER: But if the government is using it, that is a matter of bookkeeping.

Mr. BLACK: It is quite likely the \$17 million is going to be paid out and more. We have an estimate of \$22 million, some more payments on annuities etc. which have already occurred and then we have nearly \$1 million premiums we might expect to be paid in the future.

Mr. SPEAKMAN: What is the actual position in respect of that under the Returned Soldiers Insurance Act?

Mr. LALONDE: As far as we are concerned, the way the thing was explained to me, there is no profit and no deficit. The fund operates on the basis of a statutory provision and it is evident that without the government providing either interest or contribution, the fund could not operate without deficit, but as long as the government provides either a contribution or interest, it will not have a deficit and they have decided to use the contribution method to prevent that deficit.

Mr. MACDONALD (*Kings*): Mr. Chairman, would you say it is an actuarially sound proposition?

The CHAIRMAN: Colonel Lalonde has not completed his statement as yet. He was interrupted halfway through. So if he is prepared to carry on now, I think some of the questions will be answered.

Mr. LALONDE: With respect to the Veterans Insurance Fund the possible future liability is the face amount of existing contracts and that is \$87,049,278 in addition to the completion of annuities payments and other payments of claims which have already occurred.

In this case the premium income up to March 31, 1958 had totalled \$26,416,892. The fund had made disbursements amounting to \$7,199,034. These three figures show the total amount of insurance in force at the 31st of March, 1958, the total amount of premium collected and the amount of disbursements on claims already paid.

Now, in theory the future liability is covered by the amount in the fund, the difference between the last two figures that I gave, together with future premium income and however this income is administered the computed interest has been included in the actuarial valuations made by the Department of Insurance.

Now it seems unlikely that the total future premium income under this act, which at the moment is around \$2½ million a year and will tend to decrease as the years go on, will be sufficient to meet the possible future liability and future contribution will probably be necessary from time to time on the basis which I have explained applied to the Returned Soldiers' Insurance Fund.

In view of all this and dealing only with the financial aspect of the question, I would say that if the eligibility to contract for insurance were reopened or a short period such as three or four years for all those who were previously eligible to contract for insurance under this act, the effect on the Veterans Insurance Fund would not be unduly serious. However, if extension were prolonged for too great a number of years we suspect that the mortality experience of many policy holders who would be attracted by this prolonged extension might result in a drain on the fund and contributions required to keep it solvent might be larger than anticipated under normal operating conditions.

This, of course, is only a personal opinion given for the information of the committee. I am not an expert and it carries no weight.

Mr. MONTGOMERY: I think it is very sound.

The CHAIRMAN: That is the end of the statement, gentlemen. Have we any questions?

Mr. ROGERS: One thing, Mr. Chairman. I think this is not a very good picture as far as the insurance generally is concerned. In fact I believe it would have been quite a solid fund provided they had allowed interest.

Mr. LALONDE: I do not know what you mean, Mr. Rogers, when you say this is not giving a good picture of the fund.

Mr. ROGERS: I do not mean your statement. What I mean is this, that the department has just been using this money and drawing no interest on it at all. The contribution would have been made rather by premiums, whereas if they had set up that fund and paid so much interest, I think this would be a pretty solid looking picture.

Mr. LALONDE: I think it is solid now.

Mr. ROGERS: When you take all those things into consideration.

Mr. LALONDE: You see, our interest in the department is in issuing the policies and making sure that we will settle all claims as they should be settled according to law. We are not worried that we will not be able to pay them because we have got the consolidated revenue fund backing us up.

Now, as pointed out, to administer the two acts we have no worry as far as finances are concerned. Our superintendent of insurance makes his report each year on the number of claims he has paid and there is always sufficient money to cover all claims that may arise during the year, so as far as we are concerned it is a pretty solid situation to be in when handling insurance contracts.

Mr. MONTGOMERY: It is solid from the veterans' standpoint because the whole government consolidated revenue fund is behind the scheme.

Mr. KENNEDY: What Mr. Rogers is saying, I think, is if the fund plan was independent of the government it still would be solid and would have drawn certain interest.

Mr. LALONDE: Oh, yes.

Mr. KENNEDY: It would have carried itself, in other words.

Mr. LALONDE: If the department—now, this is a hypothetical statement—if the department had been allowed to collect the premiums like a commercial company and we had been told, "You have the authority to go and place this either in mortgages or in bonds", I think we would have operated without a deficit.

Mr. McINTOSH: What you are trying to tell us now is that the Legion request was that it be extended to 1962 and if it was granted the fund would be able to carry itself on the same basis as it is now, but if it is extended to 1968 it is doubtful if it could carry on under the same conditions.

Mr. LALONDE: I think it would be dangerous. I am not in a position to say definitely that it would or would not, but I think it would be dangerous.

Mr. ROGERS: I think there is one point in favour of 1962. The consensus is that we want to get as many of these veterans provided for with insurance as possible, that is, for their families and I think to make it 1962 would accelerate it. That is the whole purpose behind it, is it not, to give these families protection?

Mr. LALONDE: There is no reason why at this stage any of the veterans of World War II, given an extra four years in which to make up their minds to take insurance, should not be in a position to do so if they really are interested in it.

Mr. ROGERS: Oh, quite.

Mr. McINTOSH: There is nothing to say that if such is not the case by 1961 that your department will reopen this, as you have done in the past, and reconsider it again?

Mr. LALONDE: Well, that would be a cabinet decision, but as far as the department is concerned we would certainly consider every suggestion that was made at that time. That is our business. Whether we agree with the suggestion or not we have to study it and give a report to the minister on it.

Mr. BIGG: I was just wondering—I said it before, I think I would just like to see a little effort made to make sure as many veterans as possible know of these amendments because quite often they do not get the information and it is the very ones who do not get to know about it who need it most in a great many cases.

Mr. LALONDE: We will have to find some way, Mr. Bigg, of spreading the word around with respect to whatever amendments are approved by parliament on these two acts as well as the activities of the children of war dead (education assistance) act. We have been using veterans' publications extensively to publicize whatever amendments we have had in the past. Unfortunately, I know of no way of reaching every veteran personally.

Mr. BIGG: Well, I have a suggestion that perhaps through our old organizations, our regimental organizations a great many of our regiments anyway do know where our members are and it is possible that we might actually contact a lot of them individually in that way especially if we know they are subject to this thing.

Mr. LALONDE: We have advertisements in the papers about certain amendments, certain very important amendments but that is a very costly business when you try to get coverage across the country every time you have an amendment. We would not have enough money in our budget to do that.

Mr. BIGG: This is a major amendment in what I think is an important field and perhaps we could do it through the regimental organizations.

Mr. LALONDE: Well, by a combination of things we could probably get a fair coverage, through the veterans' publications, through the regimental associations, by adding stuffers in the cheques of pensioners. I think that is what we will have to do, use a combination of them.

Mr. BIGG: And through our own political contacts.

The CHAIRMAN: If you attend the regional meetings of your veterans organizations you get in touch with your own veterans etc.

Mr. CLANCY: This probably was answered when I was away. Now that they are opening it up again to 1962 for World War II veterans there is a reinstatement clause, is there not, in the original bill that a man who took out insurance originally when he came home and then dropped it could be reinstated?

Mr. LALONDE: I am not quite sure as to what you mean.

Mr. CLANCY: If a man has dropped his insurance, could he be reinstated?

Mr. BLACK: Yes, the position there is that the policy contract provides that a person ceasing to pay premiums and lapsing his policy during the first two years of the contract has five years in which to reinstate by paying his premiums with interest and submitting medical evidence, if necessary or if required. After two years the policy has probably gone on extended term insurance rates, but he still has five years to reinstate himself.

Mr. WEICHEL: I would like to ask Colonel Lalonde a question. That 1962 would include all veterans of the second war regardless of permanent force?

Mr. LALONDE: Yes, that would depend on the committee's recommendation, Mr. Weichel.

Mr. WEICHEL: That is our thought, is it not?

Mr. LALONDE: When I gave my opinion as to the financial capacity of funds to absorb that, I referred to all those who had eligibility previous to 1954. Now, it will have to be up to the committee to decide whether their recommendation will cover only veterans or will cover other persons who were eligible.

Mr. WEICHEL: Then what do you mean by eligibility?

Mr. LALONDE: Well, for instance, a widow of a veteran who served in World War II and died before he could take out insurance or died during the war, was eligible until 1954. The fire fighters were eligible, the merchant seamen were eligible, the auxiliary services supervisors were eligible. So that whatever the committee decides it should be spelled out in their recommendation.

Mr. SPEAKMAN: Mr. Chairman, I want to go for a moment to this point of publicizing these amendments. I think if our recommendation is accepted you will remember the legion who in fact made recommendations originally and I think they will see that it gets the widest possible publicity. I do not think we need to worry about publicizing it ourselves.

Mr. LALONDE: We will certainly have an ad in the Legionary by the department.

Mr. CLANCY: As a follow-up to that question, would a veteran who has missed his five years on an elapsed policy come into play on new insurance?

Mr. BLACK: That is right, assuming the amendment goes through, he would be eligible to take out a new contract.

Mr. CLANCY: That elapsed time of five years will apply?

Mr. BLACK: That would still apply presuming the contract provisions were not changed, it would still apply to the new contract.

Mr. CLANCY: In other words, if he has missed his five years he has only to apply under the reopening of this insurance at his present age?

Mr. BLACK: If he had a policy and it lapsed and the five years had gone or his eligibility has now terminated, he cannot take out a policy now on the strength of his previous eligibility. It will have to be a new policy.

Mr. MACDONALD (*Kings*): Mr. Chairman, my point might have been covered. This is further on the dissemination of information. I was going to say that the ads which have been put in the Legionary have been very greatly appreciated by the veterans throughout the country and I think it should be passed on to the department. Every man who belongs to the Legion—and there are over a quarter of a million now—gets the Legionary and I know that a great many of them read the ads put in there by the Department of Veterans Affairs. I just wanted to bring that to the attention of the department that the service is greatly appreciated.

Mr. LALONDE: We have a continuing arrangement with the Legionary, Mr. Macdonald, and we endeavour to pick out quarterly the outstanding item that should be brought to the attention of the veterans. That becomes the subject of our ad for that period.

Mr. MACDONALD (*Kings*): It is very well done.

Mr. LOCKYER: I do not know if this question can be answered. What percentage of lapses have you had in policies?

Mr. BLACK: Well, Mr. Lockyer, out of 42,508 issued 1,799 have lapsed up to the end of June, that is, during the first two policy years. They are complete lapses and the protection has ceased.

Mr. LOCKYER: That sounds like very much.

Mr. BLACK: I would say it is very small compared to normal commercial insurance experience. I attribute it to the fact that we use no selling pressure, virtually.

Mr. LOCKYER: This contract is a very effective contract.

Mr. BLACK: Yes, but people's financial circumstances and family circumstances change, largely financial, and bring about lapse. I think 1,800 out of 42,000 is a very favourable lapse ratio compared with commercial insurance.

Mr. THOMAS: What would that be percentage-wise, Mr. Chairman, about three per cent?

Mr. BLACK: Less than five per cent. We have the ratio exactly, it is 4.2 per cent.

The CHAIRMAN: Have you any further questions?

Mr. STEARNS: As I understand from what Colonel Lalonde said just now, if we set the date as 1962 Colonel Lalonde has also suggested that we have got to decide whether we are going to maintain section 3 of the act as it stands now, which will indicate specifically what was intended in section 3 of the Veterans Insurance Act, so that they will be included. That will be a simple matter of determining whether they approve and recommend that it be done.

Mr. LALONDE: That is right, sir. You either recommend it for everybody or you pick out certain groups within the definition contained in that section for whom you want to make a recommendation.

The CHAIRMAN: Does that conclude our discussion on the deputy minister's presentation this morning and does it conclude our discussion on the amendment to Bill C-34?

Mr. MONTGOMERY: As a matter of clarification I would like to ask this question once more. When we use the word "veteran" that does not include the auxiliary services such as the firefighters, seamen, and so on?

Mr. LALONDE: I think, Mr. Montgomery, that if you use the term "veteran" you will cover all the people who, in their own act, are defined as veterans for purposes of the Veterans Insurance Act. For instance, firefighters, special operators, supervisors and women's royal naval services, the South African Military Nursing Service, who are defined in their acts as veterans for the purposes of his act.

The term "veteran" will not cover those who are specifically mentioned in section 3 of the Veterans Insurance Act, such as a widow or widower of a veteran, the persons who are still in the regular forces, the merchant seamen who received or were eligible to receive a bonus and those who receive a disability pension. They are not covered by the definition of "veteran" because they are specifically mentioned in section 3.

Mr. BIGG: Might we ask that this definition be carefully looked at, to make sure that we are not excluding persons whom we want to include in this?

Mr. LALONDE: I think that if you would make a recommendation covering all those who are included in section 3 of the present act you will cover everybody.

Mr. BIGG: If you think that is necessary I would make that motion.

The CHAIRMAN: We will discuss this when we are discussing our report, Mr. Bigg.

Mr. LOCKYER: Does that include the merchant seamen?

Mr. LALONDE: The merchant seamen who are mentioned in section 1) (b) (iv) of the Veterans Insurance Act would be included.

Mr. FANE: Mr. Chairman, I would like to know just in what way the firefighters are not given the same consideration as other people who did their bit the war?

The CHAIRMAN: That is a general query, Mr. Fane, it is not with reference to the insurance act.

Mr. LALONDE: The only thing that I can say, Mr. Fane, is the same reply I made to the same question on merchant seamen, that this will be considered at some time, as the minister has promised, by the parliamentary committee and discussed fully then and we will place all the facts before the committee.

Mr. FANE: Well, you were mentioning about insurance, the insurance being reserved for the firefighters and I was just wondering in what way they are being discriminated against.

Mr. LALONDE: I would not like to answer that, Mr. Fane, but under the firefighters' act parliament decided to give them eligibility for veterans' insurance. It is mentioned specifically in their act.

Mr. FANE: I do not know anything particularly about it and I have got a brief from someone in Calgary here, I presume everybody got them, but I just do not know what the score is.

The CHAIRMAN: As the deputy minister suggests, Mr. Fane, we will be having representations from this particular group, no doubt, at future sittings of this standing committee, and I think—

Mr. FANE: That is fine, Mr. Chairman. If this is not the time to take it up that will be fine. I will know more about it later.

The CHAIRMAN: Gentlemen, if we have concluded our discussions in this regard, that concludes the business of this committee this morning other than the preparation of our report to the House of Commons.

Before we move into camera for that consideration I would like to thank the deputy minister and his departmental officials. We will still have one further session to consider the amendments to the Children of War Dead Act, but at the moment we can dispense with your services. We thank you very much for being here.

Some Hon. MEMBERS: Hear, hear.

Mr. LALONDE: Thank you very much, Mr. Chairman. It has been a pleasure to work with this committee and we are looking forward to more sessions.

Mr. WEICHEL: Could I ask Colonel Garneau a question before he leaves?

I was informed this morning that a Mr. Harry Fisher, who lives in my home town, is applying for a war veterans allowance. His wife wrote saying that this has been taken up by the Kitchener legion. I just wanted to know if his application has been received. I understand this chap is in bed, and that this is a very needy case. I was wondering if I could find out what the situation is, and then perhaps I could contact the D.V.A. man in our district and ask him to check it over.

Mr. GARNEAU: Was the application sent in some time ago?

Mr. WEICHEL: I believe so.

Mr. GARNEAU: It would normally be sent to the district office and they would process the whole application, send an investigator out and then have him medically examined. Do you have his name and regimental number? I could check with the district office and find out what the situation is.

Mr. WEICHEL: His name is Harry J. Fisher, and he lives at Elmira.

The CHAIRMAN: Colonel Garneau, I think this is a matter that Mr. Weichel could possibly discuss with you personally.

Mr. GARNEAU: Yes.

Mr. WEICHEL: That will be fine.

The CHAIRMAN: I am sure that Colonel Garneau and the officials of the Department of Veterans Affairs would be quite happy to hear from members of this committee, and other members of parliament in regard to questions of this nature.

Mr. GARNEAU: Yes. I can be reached by telephone at any time, and I would be quite happy to go into these various problems with you.

The CHAIRMAN: Just before we move into camera I have an announcement concerning our further sittings.

The steering committee has decided to adhere to the Thursday morning sittings unless a change becomes necessary. Having regard to the present progress that is being made in the House of Commons I think that next Thursday morning will be suitable for our next meeting. If there is any change in this regard it will be announced.

We should be able to conclude our deliberations at the session next Thursday morning, and I would suggest that the members of this committee give further thought and consideration to recommendations that ought to be included in our report.

I have a further announcement to make. I think each member has been approached in regard to biographical material. The parliamentary guide has not been prepared as yet. I think most of you have submitted biographical material to my secretary, but if there are some of you who have not done so, I would appreciate receiving that information as soon as possible. This information is required in regard to a story which will appear in the Legionary.

It has been suggested that a photograph of the entire parliamentary committee should appear in the Legionary. I think if we have a full turnout next Thursday morning, perhaps at the conclusion of the session we could assemble at a suitable place. It might perhaps be advisable to have the photograph taken while the committee is in session so that we appear as a working group.

The committee adjourned.

HOUSE OF COMMONS

First Session—Twenty-fourth Parliament
1958

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

Bill C-45 — An Act to amend the Children of War Dead
(Education Assistance) Act.
Including Fifth Report respecting
said Bill

FRIDAY, AUGUST 1, 1958

WITNESSES:

Mr. A. J. Heide, Mr. D. L. Burgess, Mr. Lucien Lalonde,
Mr. G. H. Parliament, Mr. Leslie Mutch.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.

Vice-Chairman: G. W. Montgomery, Esq.

and Messrs.

*Anderson	Herridge	Peters
Batten	Houck	Regnier
Beech	Jung	Robinson
Benidickson	Kennedy	Rogers
Bigg	Lennard	Speakman
Broome	Lockyer	Stearns
Cardin	Macdonald (<i>Kings</i>)	Stewart
Carter	MacEwan	Thomas
Clancy	MacRae	Webster
Denis	McIntosh	Weichel
Fane	McWilliam	Winkler
Forgie	Ormiston	Roberge
Garland	Parizeau	

*Replaced by Mr. Matthews on July 28th.

Antoine Chassé,
Clerk of the Committee.

ORDERS OF REFERENCE

MONDAY, July 28, 1958.

Ordered,—That the name of Mr. Matthews be substituted for that of Mr. Anderson on the Standing Committee on Veterans Affairs.

THURSDAY, July 31, 1958.

Ordered,—That the Bill No. C-45, An Act to amend the Children of War Dead (Education Assistance) Act, be referred to the Standing Committee on Veterans Affairs.

Attest.

LEON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

TUESDAY, August 5, 1958.

The Standing Committee on Veterans Affairs has the honour to present its

FIFTH REPORT

Pursuant to the Order of Reference of Thursday, July 31st, 1958, your Committee has considered Bill C-45, An Act to amend the Children of War Dead (Education Assistance) Act, and has agreed to report same without amendment.

During the consideration of the said Bill your Committee received a brief, supplemented by oral representations, from the Canadian Legion and also written representations from the War Amputations of Canada with respect to further proposed amendments to the Act.

Your Committee was sympathetic to these proposals, advocating the extension of the educational benefits, but as the Committee was informed that such proposals involved the introduction of a new principle into the Act, it was felt that further study was required before a recommendation could be made.

A copy of the Minutes of Proceedings and Evidence relating to the said Bill is appended, together with similar copies relating to Bill C-33, An Act to amend The Returned Soldiers' Insurance Act, and to Bill C-34, An Act to amend the Veterans Insurance Act, reported respectively on July 18th and on July 25th, in the Committee's Third and Fourth Reports.

Respectfully submitted,

WALTER DINSDALE,
Chairman.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 268,
FRIDAY, August 1, 1958.

The Standing Committee on Veterans Affairs met at 10:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Broome, Carter, Dinsdale, Fane, Forgie, Garland, Herridge, Jung, Lockyer, Macdonald (*Kings*), MacEwan, MacRae, McWilliam, Matthews, Montgomery, Ormiston, Parizeau, Roberge, Robinson, Rogers, Speakman, Stearns, Thomas, Webster, Winkler.

In attendance: From the department of Veterans Affairs: Honourable A. J. Brooks, Minister of Veterans Affairs; Mr. Lucien Lalonde, Deputy Minister; Mr. F. L. Barrow, Departmental Secretary; Mr. C. F. Black, Superintendent, Veterans Insurance; Mr. W. G. Gunn, Q.C., Director of Legal Services; Mr. J. G. Bowland, Chief, Research and Statistics; Mr. G. H. Parliament, Director-General, Welfare Services; Mr. Leslie A. Mutch, Vice-Chairman, Canadian Pension Commission, and Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board.

From the Canadian Legion: Mr. D. L. Burgess, Dominion President; Mr. T. D. Anderson, Dominion Secretary, and Mr. D. M. Thomson, Director Service Bureau.

Also, Mr. A. H. Heide, National Secretary, Canadian Merchant Navy Veterans Association.

The Committee was presented with a brief from Mr. Heide, who was questioned thereon at length.

Mr. D. L. Burgess, Dominion President, submitted a brief on behalf of the Canadian Legion and was questioned thereon.

The Chairman thanked both witnesses for their presentations.

The Chairman read into the record a communication from the War Amputations of Canada.

The Committee then proceeded to the clause by clause study of Bill C-45, An Act to amend The Children of War Dead (Education Assistance) Act.

During consideration of the said Bill the Minister was heard, also Mr. Lalonde, Mr. Mutch, Mr. Parliament and Mr. Thomson.

Clauses 1, 2, 3, and 4 were adopted. The Preamble and the Title of the said Bill were also adopted and the Bill ordered to be reported to the House without amendment.

At 1.05 o'clock p.m. the Committee took recess.

AFTERNOON SITTING

The Committee resumed, in camera, at 3:00 o'clock p.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Benidickson, Carter, Dinsdale, Fane, Forgie, Garland, Herridge, Jung, Lockyer, Macdonald (*Kings*), MacRae, Matthews, Montgomery, Parizeau, Robinson, Rogers, Speakman, Stearns, Stewart, Thomas, Webster, Winkler.

STANDING COMMITTEE

The Committee studied a Report to the House on Bill C-45, An Act to amend the Children of War Dead (Education Assistance) Act.

After a prolonged discussion, the Fifth Report of the Committee was adopted and ordered to be presented to the House.

At 4:45 o'clock p.m. the Committee adjourned to the call of the Chair.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

FRIDAY, August 1, 1958.
10:00 a.m.

The CHAIRMAN: Gentlemen, we have a quorum and in view of the fact that we must rise at 11:00 o'clock for a brief recess because of the opening of the house I think we should get under way at this time.

The first item of business this morning is a brief to be presented from the Canadian Merchant Navy Veterans Association, and they are represented by Mr. A. J. Heide, who is the national secretary.

I think the best way to handle this part of the business is to have Mr. Heide formally introduced. Will you stand and take your bow Mr. Heide and come forward to the chair on my right. If you could present the brief formally, then I think we could have you cross-examined on the brief.

Before Mr. Heide speaks to you, we are very happy to have the minister with us this morning, Mr. Brooks. Is there anything you have to say at this time?

Hon. A. J. BROOKS (*Minister of Veterans Affairs*): No.

The CHAIRMAN: Mr. Heide, will you proceed, please.

Mr. A. J. HEIDE (*National Secretary, Canadian Merchant Navy Veterans Association*): On November 29, I think, of last year Mr. Brooks promised that this committee would give us a hearing at the next session of the house. Mr. Brooks said the thing had been kicked around at least for 10 years when he was a member of the house—not a member of the government.

You will notice by the brief that the legislation we asked does not entail a great deal of expenditure of money.

My brief is as follows:

Below are some of the matters we would like your committee to consider and recommend:

Pensions:

Extend pensions to men injured through other than enemy action. Many were hurt in the course of their duties before workmen's compensation came into force.

Manning Pool Two-Year Agreement:

This agreement was brought into effect the latter years of the war when as ship began rolling off the ways across Canada, there was a dearth of personnel to man them. All benefits granted us in the past are contingent on the seamen having signed this agreement. We have pointed out to previous governments the utter unfairness of this legislation. In the first place it was not publicized sufficiently. Hundreds of men touched Canadian ports for only a few days, or did not touch one at all, from the time the act came into force until the end of the war and never got to hear of the agreement. We ask that any seamen who served continuously until the end of the war be entitled to all benefits granted, or to be granted, wartime merchant veterans.

Burnt out Pensions:

The years are proving that the seamen who spent days in a lifeboat or on a life raft, or hours in a life jacket, especially in World War I are suffering the same disabilities as the men who are now receiving "burnt out" pensions as a result of suffering hardships in the other services.

Medical Boards:

This association understands all records of wartime injuries and sickness suffered by seamen have been destroyed. This makes it doubly difficult for our men to establish pension claims. Further, the referees on these boards are doctors who served in the other forces. We suggest that the doctors who served the manning pools would make excellent referees. In many cases they dealt with these men and can recall their case histories, even though the records have been destroyed.

Housing and Veterans Land Act:

Why cannot the Merchant Navy Veteran raise his family in the same decent manner as other servicemen, or become self-supporting and a good citizen through the Veterans Land Act? This legislation entails no burden on the taxpayer and is proving a very successful operation with the other veterans.

Civil Service Preference:

We ask the same benefits here as apply to other veterans.

In general, there are a number of matters to which we hope your committee will give consideration. We understand Canada's Merchant Marine is to be re-vitalized and we ask any new ships constructed be of a nature that they can carry sufficient armaments in case of a future war. We ask that seamen be sufficiently trained, as are sailors, soldiers and flyers, before being sent into battle in another war.

In fact, this association is of the opinion this committee might well recommend to enact a statute making the Merchant Marine an auxiliary of the navy in case of war, with the same entitlements and post war benefits as may apply to that branch of the service.

You will notice that the legislation for which we ask does not entail a great deal of expenditure of money. The Veterans Land Act, the housing legislation and the Civil Service Preference as it affects us will not cost the citizens of Canada a great deal of money.

Housing is a very great problem with us. Some of you may know that our force was recruited mainly from two categories, boys who were under age and could not get into the forces, and men like myself who were over age.

With respect to those youngsters who were under age, the previous government gave vocational training and certain educational grants. They are young married men now, and they are raising families. We believe that, in justice, those boys should be able to raise their families in the same type of good housing that is enjoyed by the veterans who got out of the forces are able to do today. In respect of the War Veterans Allowance Act we believe that the men who spent a few days or perhaps even a week on a life raft or a life boat have suffered as much as the members of the other forces, and should be entitled to the same benefits accruing as the result of their disabilities.

Then, with respect to manning boards, if it is possible that the men who examined us and who looked after us in the manning pools could be our

medical referees, I believe that we would get a more sympathetic hearing than we have up to the present time under the present manning boards.

Then, with reference to civil service preference, we find that when we apply for civil service jobs, we are treated as civilians. We have no standing as veterans whatsoever. We believe that those men who served in the merchant navy are entitled to the same veterans preference in the civil service as members of the other three forces.

That about covers the thing. There is one thing I have not mentioned in here, and that is the matter of business and professional loans. Those boys who took vocational training some eight or nine years ago are now coming to the place where they have a little money saved up and they want to go into business for themselves. Seeing that there is no entailment of money, and it is not costing the government anything, we think that it would be only fair that these men be able to borrow money, the same as the other men from the other forces who went into business are entitled to do.

I saw something in the newspapers the other day which referred to a matter which had come up in the House of Commons, where it was stated that these business and professional loans have proved successful among the members of the other three forces.

I thank you; that is all I have to say at the moment.

The CHAIRMAN: Mr. Heide has supplied each member with a copy of the presentation he has made this morning. At this time we would be prepared to receive any questions you might wish to ask.

Mr. SPEAKMAN: Could we hear from the minister, first, perhaps? Perhaps the minister could give us his views on the matter.

The CHAIRMAN: No, I think we might proceed to a cross-examination of the witness, first,—and not the minister.

Mr. BROOKS: I might say that I have heard the story concerning the merchant marine for a good many years, and I have expressed my views—which will be seen if anyone cares to go back through the records.

Mr. HERRIDGE: Mr. Chairman, could Mr. Heide tell the committee if he has any estimate of the number of men who would be affected by the proposals he mentioned in his brief?

Mr. HEIDE: Mr. Herridge, until the manning pools were established, there was no record of the men who served. The shipping companies were the only ones who knew, and they kept very loose records, so that it is impossible to estimate. But the closest we could come—and the Department of Veterans Affairs has agreed with this—was 12,000 men who served. Of these there would be roughly 3,000 to 4,000 from the Old Country. Because when the ships started to come off the ways, we did not have suitable personnel, such as engineers, to man our ships. They brought Englishmen over here, many of whom had been retired for some time. Officer personnel came over. However, out of the 12,000 we figure that between 8,000 and 9,000 are Canadians, resident in Canada at the present time.

Mr. HERRIDGE: In your opinion, so far as you can estimate, there would be 3,000 or 9,000 affected by these proposals?

Mr. HEIDE: Yes; there is no way of finding out definitely.

Mr. STEARNS: So far as Mr. Heide's association is concerned, do they have any record of the number of these seamen? Do you have a record of the number of seamen—say, eight or nine thousand; do you keep a roster?

Mr. HEIDE: No, that is the work of the Department of Transport. We agreed, when we went to the Department of Transport to find out as to the number of men who served, they had no record.

Mr. STEARNS: How would this department ever determine who was liable?

Mr. HEIDE: So far as the benefits we receive are concerned, for instance, in the matter of veterans insurance, and some other benefits that we have, a man who served west of Estavan Point, which was shelled by a Japanese submarine—any man who served west of that was considered in a dangerous area of warfare; and from a point east of Quebec, where a German submarine sunk a steamer—anything east of that was considered dangerous waters.

Mr. STEARNS: That was not what I had asked. How would we ever be able to locate these men, and how much time would it require to determine how many men were eligible?

Mr. HEIDE: Well, we are hoping that whatever benefits you may wish to grant us will be more publicized than they were the last time. There are hundreds of men, for instance, who missed out on vocational training because they did not know it was in effect. There was not sufficient publicity given to the legislation. And even now, when I came through from the west I stopped off at Edmonton, and there were a number of men whom I met in our association—and we have associations in various cities—who did not know that veterans insurance was in force. They never heard of it, that they were entitled to it. And as a result of that they were not able to take advantage of it.

Mr. HERRIDGE: I presume that these men who were entitled to veterans insurance and vocational training and so on had to complete departmental application forms which would require them to establish their right as a result of service within the law?

Mr. HEIDE: Yes.

Mr. HERRIDGE: And you suggest the same type of form or procedure should be used for qualifying men, if the government saw fit to extend benefits to them?

Mr. HEIDE: It does not require the establishment of any offices. The government already has offices in connection with the Department of Veterans Affairs.

Mr. HERRIDGE: That is not the point; do you suggest that the same form or procedure should be used to establish their claims, to qualify them for benefits that may be extended to them in the future?

Mr. HEIDE: Yes.

Mr. MONTGOMERY: I would like to ask Mr. Heide this question: those seamen who have received benefits—have they been confined to the manning pool—that is, those who signed the agreement in the manning pool?

Mr. HEIDE: Yes. And that is a very sore point. There are hundreds of men who never heard of that agreement. All benefits are now the result of having signed a two-year agreement—that is, two years or the duration, whichever was the greater. There are so many men who never heard of that agreement; and this is just another place where it was not sufficiently publicized, even in the manning pools. There was no notice on the board that I can remember, and so many men never touched a Canadian port from the time that condition was set,—or if they did touch a main port they would be in only a couple of days loading cargo, and would be going out again. And the result is that they never knew that an agreement was in force. They would have signed it if they had known that it was in force, because it meant a 10 per cent bonus on their wages.

Mr. MONTGOMERY: Up to the present time, would a seaman be refused any of the benefits because he had not signed it?

Mr. HEIDE: Yes, absolutely.

Mr. MONTGOMERY: It is only those who had signed who have been given any benefits?

Mr. HEIDE: That is right, yes.

Mr. SPEAKMAN: In other words, those records which exist apply only to the people from the manning pool?

Mr. HEIDE: Yes.

Mr. SPEAKMAN: How many of them?

Mr. HEIDE: I do not know; I have not looked into the figure.

Mr. SPEAKMAN: Approximately?

Mr. HEIDE: I would say about a third of our force who did not sign that agreement because of no fault of their own.

Mr. SPEAKMAN: About two-thirds did sign it?

Mr. HEIDE: Yes.

Mr. SPEAKMAN: So that that would be about 6,000?

Mr. HEIDE: Yes.

The CHAIRMAN: With respect to these questions connected with statistics of merchant seamen I understand the departmental officials will be able to give us some information on that score when Mr. Heide has completed his testimony.

Mr. MONTGOMERY: There is one more question, if I may. I should like to ask—perhaps this is from ignorance—I do not know what he means when he says:

Extend pensions to men injured through other than enemy action. Many were hurt in the course of their duties before workmen's compensation came into force.

What does that mean?

Mr. HEIDE: Before workmen's compensation came into force those men who were injured other than by enemy action are not pensionable under the present legislation.

Mr. MONTGOMERY: Would that be injured by boat loading and unloading, for instance?

Mr. HEIDE: Yes; I have a case in mind of a fellow in Vancouver, a man who is a paraplegic and will not work again. Because the ship was not under attack at the time, and his injury was not the result of enemy action, under the present legislation he is not pensionable.

We have a number of cases of youngsters—in fact, I have three cases in mind of boys who were 14 years of age when they joined the merchant marine and, because of their under-developed state of lungs, they contracted tuberculosis.

Under the present legislation it has been ruled that that was not the result of enemy action, and therefore those boys cannot be pensioned. They can be pensioned only if they were injured directly, by direct enemy action. Anything else is not pensionable. Then, workmen's compensation came in in the latter part of 1942. Previous to that there was no compensation for those men.

Mr. MONTGOMERY: Under workmen's compensation, those boys would be getting a pension, or compensation?

Mr. HEIDE: Yes.

Mr. SPEAKMAN: At the present time these people are being taken care of by what agencies?

Mr. HEIDE: I do not know, unless it is a local relief agency; that is all.

Mr. SPEAKMAN: Strictly charitable agencies?

Mr. HEIDE: Yes.

Mr. HERRIDGE: Where would the majority of the 8,000 men who might be eligible be residing now? Are they mostly ashore now?

Mr. HEIDE: Well, yes; the previous government saw fit to reject our merchant marine, bringing all our ships out so that they are sailing under foreign flags and foreign crews. Shipping companies tried to get out from under the high cost of labour—which they did. And the previous government sold them out, with the result that these men are trying to get jobs ashore, and adjust themselves to them.

Mr. BROOKS: They are pretty well scattered all over the world.

Mr. HEIDE: All over Canada.

Mr. LOCKYER: I was interested in a statement as to where the records would be. Where would the records of the men be; would they be in the navy records, or where?

Mr. HEIDE: As I said previously, the records are there after the manning pool came into force. But prior to that there were no records kept by the Department of Transport. We were just hired and fired by the shipping companies. And even the shipping companies have not got the records.

I went to several shipping companies in Vancouver to try to find the records of certain men and they said, "We destroyed the records years ago".

The only records available are those from the time the manning pool was established; and the Department of Transport has that, nothing previous to that.

Mr. LOCKYER: You talk about the records being destroyed, do you?

Mr. HEIDE: Yes; the Department of Transport, I understand, has destroyed certain records, too.

Mr. CARTER: I was wondering about the registry of shipping. They have records going back over many years. If a seaman wanted to prove his claim he could prove he was on a certain ship at a certain time by going back to the registry of shipping, could he not?

Mr. HEIDE: No, Mr. Carter. I, for instance, endeavoured to establish my service, and I tried every avenue and the only record that the shipping company had was my record for after the war. They said that all records that they had from during the war had been destroyed.

I sailed until about a year after the war was over, because they appealed to us to stay in because it was stated that Europe was starving to death. In order to prevent that starving to death, a lot of us stayed in, in order to serve that purpose.

Mr. CARTER: I remember some cases in Newfoundland where a fellow had lost his discharge papers, but he could remember the ship on which he served, and he switched from one job to another. In some cases we did maintain a register of shipping in Newfoundland. Unfortunately part of it was destroyed by fire. Some of these claims could be proved, I know from experience, from the registrar of shipping. Others related back—that is, where the ships were registered in Britain—you could get it from there. You are talking purely about ships registered in Canada, only, are you?

Mr. HEIDE: Yes. Of course you were part of the British Empire.

Mr. CARTER: A good many Canadian sailors served on ships of other registry?

Mr. HEIDE: Yes. Of course Newfoundland was not part of Canada at that time, and therefore as part of the United Kingdom there was a much closer record kept of the merchant marine than was kept by Canada.

Mr. WEBSTER: Would you not have your discharge book?

Mr. HEIDE: Yes—although, mind you, an awful lot of them were lost. I think the majority of us have our discharge books. But of course a good portion of them were lost, when ships were sunk and men lost all their gear, and everything else.

Mr. MACDONALD (*Kings*): Mr. Chairman, I am sorry that I missed the earlier discussion. However, some of us were attending another committee meeting. From reading the submission given by Mr. Heide, do I gather that the merchant navy veterans are asking for virtually the same privileges as the other servicemen who served during the last war? I notice that under pensions and burnt-out pensioners, and housing, and Veterans Land Act, and Civil Service Preference—in reference to those things they are asking for practically the same as the other veterans.

Mr. HEIDE: That is right.

Mr. MACDONALD (*Kings*): Do you consider them to be in the same category as the man who volunteered to serve anywhere for his country?

Mr. HEIDE: Well, Mr. Chairman, to begin with, there are two things that we should keep in mind. One is the fact that the merchant seaman costs the government nothing. The very clothes I stood up in—within 48 hours of the time I signed my agreement, I was aboard ship. I have forgotten what the cost was, but I believe the cost to train army, navy and air force personnel ran between \$8,000 and \$12,006, with the air force being the highest.

On the other hand we cost the government nothing. And another thing is that some of the Members of Parliament, perhaps, are under the impression—perhaps some of the new members—that we were very highly paid.

In 1947 the question was asked in the House of Commons—and those of you who were members in the house at that time will recall the incident, because it is recorded in *Hansard* of July 12, 1947—where it was pointed out that in 1942 the merchant seaman was paid \$47.09. That was his basic wage.

The CHAIRMAN: Do you have a comment to make, Mr. Carter?

Mr. CARTER: I would like to ask two questions. First I would ask Mr. Heide, when a merchant seaman signed this agreement in the manning pool, did he get a service number, as did those who joined the other services?

Mr. HEIDE: Yes, you got a card, saying that you were a member of the pool.

Mr. CARTER: And that card gave him a definite number?

Mr. HEIDE: Yes, that is right.

Mr. CARTER: And I notice in your brief you have not mentioned educational benefits. Is there any special reason for that?

Mr. HEIDE: Well, I do not think, Mr. Carter, that very many would take advantage of that. You see, it is so long ago, that those men are out of the category where they would want to go to school.

Mr. CARTER: What about their children?

Mr. HEIDE: Well, we are entitled to that. In 1953 they brought us under the act.

Mr. HERRIDGE: That is, you mean the children of pensioners?

Mr. BROOKS: Yes, the children of pensioners come under it.

Mr. HERRIDGE: In the same way as children of veterans?

Mr. ROGERS: I am sorry that I was late, Mr. Chairman, but I would like to ask how many persons this involves?

Mr. HEIDE: As I explained a little while ago, there was no record kept of the men who sailed, until the manning pools were established. But several years ago, when I appeared before a committee, the Department of Transport

and ourselves agreed that 12,000 would be involved—which would be about 8,000 Canadians and 4,000 who came from the Old Country,—technical officers and engineers, when we did not have that kind of personnel to man our ships.

Mr. ROGERS: How many were not able to take advantage of the compensation?

Mr. HEIDE: Well, as I say, here is no record until the manning pools were established, no one knows how many men were injured or how many men suffered disability. There simply was not any record kept.

Mr. MONTGOMERY: I was going to ask, there would be a certain number of these 12,000 who are already getting pensions?

Mr. HEIDE: Oh yes.

Mr. HERRIDGE: Of the 8,000?

Mr. MONTGOMERY: Of the 8,000 Canadians, yes. The other question was: what provision has the Old Country—Great Britain—made for her seamen? I am referring to these 4,000 who may have come over in ships? Are they getting compensation from their own country?

Mr. HEIDE: Yes.

Mr. MONTGOMERY: So that you are not really considering those at all?

Mr. HEIDE: No, although I believe in the case of the other forces, those who served in the Canadian forces, does not the government augment the English pension, to bring it up to the Canadian forces level?

Mr. BROOKS: Yes, if they are residing in Canada, and were domiciled in Canada prior to enlightenment.

Mr. HEIDE: We have a few of that nature among our men, too.

Mr. HERRIDGE: When the committee has completed the questioning of Mr. Heide, particularly on account of the number of new members in the committee, I assume that we will have a general explanation of the whole situation from one of the departmental officials, so that we will have a better understanding, and will have figures and things of that sort before us?

Mr. THOMAS: I have one question to ask—and I am sorry that I was not here before. My question concerns workmen's compensation. The statement was made here that before workmen's compensation came into force—well, my question will be, who actually paid these merchant seamen their wages? When did this workmen's compensation come into force?

Mr. HEIDE: The latter part of 1942. Previous to that there was no benefit. A man injured previous to that, previous to the time workmen's compensation came into effect, simply had nothing to fall back on.

Mr. FORGIE: What workmen's compensation are you referring to? That is a provincial matter, is it not?

Mr. HEIDE: First of all, Ontario and British Columbia—men who sailed from those two provinces, are under workmen's compensation. Then, later, the Dominion Government brought us under the same compensation as the civil service.

Mr. THOMAS: Do you mean the civil service workmen's compensation did not apply?

Mr. HEIDE: Not until the latter part of 1942.

Mr. THOMAS: Were the men working for the Department of Transport?

Mr. HEIDE: Yes. We were sailing under the Department of Transport; that was our authority.

Mr. THOMAS: And paid by the Department of Transport?

Mr. HEIDE: No; paid by the shipping companies. As I say, the wages were so low that the government added a \$44.33 war bonus. That was tacked on. I think the shipping companies had the idea that when the war was over they could knock it off, but it was embodied in the wage scale after the war.

Mr. CARTER: I am not sure what you said. Did you say that the basic wage was from \$42 to \$47.90?

Mr. HEIDE: \$47.44.

Mr. CARTER: A week or a month?

Mr. HEIDE: A month.

Mr. CARTER: And in addition to that there was a bonus?

Mr. HEIDE: Not at that time.

Mr. CARTER: But later?

Mr. HEIDE: Yes.

Mr. CARTER: What was the bonus?

Mr. HEIDE: \$44.33, I think.

Mr. CARTER: For what period of time was that retroactive?

Mr. HEIDE: It was not retroactive. It came into force, I think, in the latter part of 1942.

Mr. CARTER: After that came into effect then you got around \$90 a month?

Mr. HEIDE: Yes.

Mr. CARTER: Even then it was less than in the army?

Mr. HEIDE: When you consider that we had to buy our own gear and had to look after all our own dental work. For instance, I wear glasses and I lost or broke half a dozen pair during my service and had to buy those myself and also pay for dental work and clothing, and a person also had to support a family if he was married.

This indirect and direct action business is an awful handicap to our force. This is rather a personal matter; but my brother fell between the dock and the ship in the blackout. The gangplank was icy in Plymouth and he slipped and fell and banged his head against the side of the ship, fell in and was drowned. His widow and the children under the present act are not pensionable because it was not in enemy action.

Mr. STEARNS: Did the shipping company assume no liability?

Mr. HEIDE: No sir; they certainly did not.

Mr. STEARNS: I believe in peace time, before the war, the Canadian Pacific Steamships did; if you were sailing and a person was unfortunate enough to be drowned, did not the Canadian Pacific Steamships award something to the widow?

Mr. HEIDE: I do not know, sir. My sailing days were confined strictly to during the war.

The CHAIRMAN: Are there any further questions? If we have finished our questions of Mr. Heide, perhaps we could have a brief statement as to the background from the officials. Could the benefits which are available be outlined?

Mr. HERRIDGE: I do suggest that since we have so many new members on the committee that a well-documented brief, such as the deputy minister has, could be of great assistance in understanding this matter.

Mr. CARTER: Before Mr. Heide leaves I have one more question. He told us that the total remuneration around the latter part of 1942 was around \$12 a month. Did the basic wage go up later?

Mr. HEIDE: Yes.

Mr. CARTER: What was the final rate?

Mr. HEIDE: \$98. The highest I drew, in the last few months of the war, was \$133.44 a month.

Mr. CARTER: Including the bonus?

Mr. HEIDE: Yes.

Mr. HERRIDGE: As a seaman?

Mr. HEIDE: Yes.

Mr. BROOKS: In the evidence given in 1948 the statement which was made was as follows:

I am going to deal with the wages paid, commencing at \$47 and gradually increasing to \$144.

And for the last few months there was an increase in that amount.

Mr. HEIDE: That was the highest I drew. There was an increase after the war, Mr. Minister.

Mr. BROOKS: Yes. Somewhere it was mentioned that it was increased in the last few months.

The CHAIRMAN: Have we completed our cross-examination of Mr. Heide?

Mr. LOCKYER: Is your organization strictly confined to veterans of the merchant marine?

Mr. HEIDE: Yes.

Mr. LOCKYER: Not sailors?

Mr. HEIDE: No. We are chartered under part II of the company's act by your government, and our membership stipulation is the same as I mentioned a while ago. The men under that stipulation are the only ones who are eligible for membership in our association.

Mr. LOCKYER: Would it be fair to ask if you have substantial numbers of these men?

Mr. HEIDE: Our membership has dropped off during the last couple of years for the simple reason that they figured it was useless because we could not get anywhere with it with the previous government. I will not say the men became disgusted, but they figured that they were not going to get the benefits to which they were entitled.

Mr. LOCKYER: The only reason I asked that question was to try to think how we could reach those men?

Mr. HEIDE: You would reach a great number of them through our association. The members who do belong know of the others who do not belong. Perhaps the previous legislation was not publicized enough. The same thing applies in the other veterans organizations. There are a little over a million and a half service people, men and women in Canada, and the legion has less than 200,000 members; yet, when legislation is passed, it gets around to all the returned men.

Mr. HERRIDGE: I think the legion is quite a number in excess of that.

Mr. HEIDE: They may have picked up in the last couple of years.

Mr. HERRIDGE: Yes.

Mr. CARTER: I wonder if Mr. Heide could tell the committee whether or not there was any difference in the position of a captain of a ship during war time than there would be if the ship were engaged in an ordinary commercial operation in peace time. The company was not a free lance and the captain was not; his actions were governed by the military or the admiralty in certain ways?

Mr. HEIDE: Yes. When it came to sailing, we were under the jurisdiction of the navy when in convoy.

Mr. CARTER: You were ordered where to go by the admiralty?

Mr. HEIDE: Yes.

Mr. CARTER: So there was not much difference between a merchant seaman and an ordinary person in the navy except in so far as the cost was concerned.

Mr. HEIDE: Except the danger. The navy was not sitting on a highly explosive oil tanker or munitions aided by lots of armour to protect them.

Mr. CARTER: As far as the movement was concerned, that was determined by military authorities?

Mr. HEIDE: Yes.

Mr. MONTGOMERY: When you signed on in the manning pool, or before, did you sign on for any period or only for a trip, or what?

Mr. HEIDE: We signed on for two years or for the duration of the war. If the war was over in six months, the government thought that if we were to quit that there would be chaos. So they made us sign on for a minimum of two years or for the duration of the war.

Mr. THOMAS: I am trying to get to the responsibility of the Canadian nation to these merchant seamen. Is membership in the organization restricted to Canadian citizens?

Mr. HEIDE: No; it is not. It is the same as any other veterans organization, the legion, the army and navy veterans, the amputations or others; they will take as members any of the allied forces. Mind you, I do not suppose out of four thousand men, that we would have more than one hundred who sailed with the British; but if they want to belong they are welcome. Some of those persons belong to our organization because they believe that something should be done and while they might not be entitled to the benefits, they still believe in the principle of the legislation which we seek.

Mr. THOMAS: Am I safe in assuming that there were some of these men who would be working for American shipping companies?

Mr. HEIDE: Yes.

Mr. THOMAS: Or Scandinavian shipping companies?

Mr. HEIDE: Well, you see we were subject to transfer. In other words, let us say that you were in Africa, or wherever it might be and you were sick and were taken off a ship and hospitalized. The authorities there could make you sail on an American ship, once you were well enough to sail. If there was not a Canadian ship around, they could make you sail on an American ship—or perhaps there would not be one coming into that port for the duration of the war. So there might not be another Canadian ship enter that port. The result was that they would send you out. Lots of the boys sailed on Norwegian ships and American ships, French ships—even Greek ships.

Mr. THOMAS: You mentioned that the authorities would make you sail on these various ships?

Mr. HEIDE: They are not going to keep you there forever, you know.

Mr. THOMAS: What authority would make you sail?

Mr. HEIDE: The port authority.

Mr. THOMAS: What authority?

Mr. HEIDE: The local government authority, whatever country you are

For instance, they would not keep you there forever. So the minute a ship came in,—you might not sail as part of the crew; they might just send you in as a passenger, so as to get you out of the port and get you into an allied country again.

Mr. MACDONALD (*Kings*): I wonder if I might ask a question about membership. I think Mr. Heide mentioned that there was a potential of about a million veterans. The figure as of the end of 1957 for the legion for example is a quarter of a million. It has increased since that time. Could you give us a figure on the membership of your own organization?

Mr. HEIDE: It is around 4,000.

Mr. MACDONALD (*Kings*): One other question; there seems to be a comparison being drawn between service of ordinary naval veterans and that of merchant seamen. In a considerable amount of work among veterans, I have not heard navy veterans take up the cause of the merchant seamen too much. What is their reaction to comparing merchant seamen with the men who served in the Royal Canadian Navy?

Mr. HEIDE: Both the Legion and the army and the navy veterans have passed resolutions asking the government to extend to us the same benefits as they enjoy—that was at both dominion conventions of the Legion.

Mr. MACDONALD (*Kings*): What was that answer?

Mr. HEIDE: Both the army and navy veterans at dominion conventions of the Legion last year passed resolutions asking the government to give us the same benefits as the members of their forces enjoy.

Mr. MACDONALD (*Kings*): I rather doubt that.

Mr. FORGIE: Well, it is in black and white somewhere, in the form of a resolution.

Mr. HEIDE: The resolution presented by the Canadian Legion last year—I believe you mentioned the fact that you saw it, did you not?

Mr. MACDONALD (*Kings*): The convention was held this year.

Mr. HEIDE: The fact of the matter is that the Legion has passed it several times, a resolution affecting our members. The first time was at the Saskatoon convention, in 1949. They passed a resolution at Saskatoon at that time.

Mr. SPEAKMAN: It was in 1950 in Winnipeg, too.

The CHAIRMAN: We have the dominion president of the Legion here; does he confirm that?

Mr. D. L. BURGESS (*Dominion President of the Canadian Legion*): Yes, and I believe it was in our brief which was submitted to the Prime Minister and the cabinet in November last.

Mr. MACDONALD (*Kings*): Do you cover all these requests in your brief?

The CHAIRMAN: Where do we stand, gentlemen? Have we completed our cross-examination of Mr. Heide? If so, we thank you, Mr. Heide, for having appeared before us.

Proceedings interrupted.

The CHAIRMAN: Gentlemen, we have a quorum. I would suggest we resume now.

When we rose at eleven o'clock we had just heard the brief from Mr. Heide. During the period of examination of that brief there were several questions asked.

I might point out at this time that the terms of reference for our sitting this morning have regard to the amendments to the Children of War Dead (Educational Assistance) Act which was referred to this committee by the House of Commons yesterday.

Mr. Heide appeared before us this morning at his request. I am now wondering how far we should continue, at this time, with our discussions in regard to some of the points raised in his brief. It is my feeling that if we deal

extensively with this whole matter of Canadian merchant seamen we will probably spend several hours discussing it.

This subject has been presented to the committee on many occasions. I have checked back through the records in that regard.

I am in the hands of the committee in regard to how far we wish to continue our discussions at this time, keeping in mind that our terms of reference have regard to the Children of War Dead (Educational Assistance) Act.

I would also mention that we have a delegation from the Canadian Legion. They have a brief which they wish to present this morning.

Mr. MACRAE: I would like to suggest, Mr. Chairman, that we move to a consideration of the amendments to this act and come back to the subject of the merchant navy at a later date.

Mr. CARTER: I do not want to throw a monkey wrench into this, but I think it would be more orderly if we had the evidence with respect to the merchant navy all together in the one place. I do not think we need to take much more than half an hour, or perhaps 25 minutes in this discussion. There are one or two questions that we could ask of the departmental officials, but I do not think there will be an extensive discussion in this regard.

Mr. STEARNS: Speaking as a new member of the committee, I think if it is not asking too much, would it be possible to have a short memorandum prepared by the officers of the department in regard to what has happened in the past, so that members of this committee could study it and then be in a position to ask intelligent questions?

Mr. HERRIDGE: I think that is a good suggestion. Perhaps the minister, or some other official of the Department of Veterans Affairs could give us an outline so that we could study it, and then leave it at that.

The CHAIRMAN: I have assurance from the officials that such a memorandum could be prepared.

Mr. CARTER: Would that memorandum form part of the record for today, Mr. Chairman?

The CHAIRMAN: Not necessarily. The printed record of this committee, of course, is a complete entity for a particular session; but I do not think there is any problem of continuity in that respect. As you will recall, in the past, subjects continued from day to day, and sometimes it is impossible to receive answers to questions immediately. These answers are then very often supplied on later occasions.

Mr. HERRIDGE: Mr. Chairman, I do not think Mr. Carter intends to throw monkey wrench into the proceedings. I believe he wants to keep the subject on the quarter-deck.

The CHAIRMAN: I take it then it is the wish of the committee that we proceed with the amendments to the Children of War Dead (Educational Assistance) Act?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Our terms of reference are that the Bill No. C-45, an act to amend the Children of War Dead (Educational Assistance) Act, be referred to the standing committee on veterans affairs.

The clerk of this committee assures me that a copy of that bill has been placed in the hands of each member present, so that you have it for reference.

I assume you heard yesterday the statement of the Minister of Veterans Affairs in the House of Commons at the resolution and second reading stages.

At this time I think we should call upon Mr. Burgess, the Dominion President of the Canadian Legion, to present his brief. A copy of the brief will be made available to each member of the committee.

While Mr. Burgess is assembling at the front of the room here, I would just like to present this thought to you: if we do not conclude consideration of the bill this morning I wonder if it would be possible to proceed this afternoon? I suppose we can make a decision in that regard when we rise this morning, but I merely present it for your consideration at this time.

Mr. HERRIDGE: You want to nettle us in the meantime?

The CHAIRMAN: I want to prepare you in the meantime.

We now have Mr. D. L. Burgess, dominion president, Canadian Legion and Mr. D. M. Thompson, director, services bureau, dominion command, Canadian Legion with us this morning. We welcome you to the committee, gentlemen, and you may proceed.

Mr. D. L. BURGESS (*Dominion President, Canadian Legion*): Mr. Chairman, Mr. Minister and members of the standing committee,

We are again privileged to appear before this standing committee on Veterans Affairs. Our representations today will be confined to Bill C45 amending the Children of War Dead (Educational Assistance) Act.

The Legion originally proposed the measures provided in this legislation, and we have always taken the keenest interest in its operation since it was enacted in 1953. We are therefore glad of this opportunity to discuss the act with you and to offer our specific recommendations on Bill C45.

Clause 1

We are pleased to note that this clause broadens the basis of eligibility.

We do not, however, agree with the proposed new subparagraph (vii) of paragraph (c) of section 2. The explanatory note refers to "certain children who are in receipt of a compassionate pension under section 25 of the Pension Act". We cannot see any reason for including some children under section 25 and not including others. Section 25 of the Pension Act reads as follows:

(1) The Commission may, on special application in that behalf, grant a compassionate pension, allowance or supplementary award in any case that it considers to be specially meritorious, but in which the Commission has decided that the applicant is otherwise unqualified to receive such an award or supplementary award under this Act.

We would point out that awards can be made under this section only when the pension commission has considered the case to be specially meritorious.

Therefore the Canadian Legion Recommends That all children pensioned under section 25 of the Pension Act be eligible for educational assistance.

Clause 2

We commend the government for proposing an additional payment to those over 21. We respectfully suggest, however, that the proposed amendment does not go far enough in regard to allowances payable under this act.

We would like to draw to your attention one inequality that arises from the existing legislation. This may be best illustrated by the case of a widow with three children under 21 who are receiving assistance under this act. The payments to which they are entitled are:

	Pension Act	Educational Assistance Act	Total
1st child	\$40	\$25	\$65
2nd child	30	25	55
3rd child	24	25	49

When they reach 21 years the payments for each will be the same under the proposed new section 4 (1) i.e. \$25 + \$35, total \$60.

It appears to us that the needs of all these children will be the same. Consequently the total payments should be the same.

We also believe that present amounts payable are not realistic bearing in mind inflated living costs today.

The Canadian Legion therefore recommends that clause 2 of the bill be amended so as to amend section 4 of the act in such a way as to provide that the monthly allowance payable under the act shall be an amount, which together with the pension payable on behalf of each child shall make the total \$75.

Clause 4

While the Legion most certainly is pleased to see that the benefits of this act are being extended by Bill C45 to children pensionable under section 13 (1) (e) and 13 (2) of the Pension Act, we feel that one other very deserving group should also be included. We refer to those children pensioned under section 26 (7) of the Pension Act. This subsection reads as follows:—

The children of a pensioner who has died and at the time of his death was in receipt of a pension in any of the classes one to eleven, inclusive, mentioned in Schedule A, or who died while on the strength of the Department for treatment and but for his death would have been in receipt of pension in one of the said classes, are entitled to a pension as if he had died on service whether his death was attributable to his service or not.

The Pension Act here provides pension for children of disability pensioners if the pension was being paid at the rate of 50 per cent or more, regardless of the cause of death.

We believe that the legislators of former years who enacted this section and section 36 (3), which provides pensions for widows whose husbands had been in receipt of disability pensions of 50 per cent or more, regardless of cause of death did so in recognition of the fact that these pensioners, because of their disability, had been unable during their lifetime to provide a full measure of family life and security for their wives and children. They were unable to buy life insurance at regular rates if at all. In many instances they were unable to obtain employment as remunerative as otherwise would have been the case. The families of these pensioners have shared the effects of their disabilities. For example, the son of a badly disabled veteran may have been denied the pleasure and benefit of his father's participation in normal athletic activities which contribute so much to a young boy's happiness and welfare.

We believe that the provisions of the Children of War Dead (Education Assistance) Act are good and benefit Canada as a whole as well as the individuals who are assisted. We also believe that this group of children pensioned under section 26 (7) of the Pension Act are deserving of special consideration and inclusion in the benefits of this act.

The Canadian Legion therefore recommends that clause 4 of Bill C45 be amended so that section 26 (7) of the Pension Act be included under schedule A.

Educational Assistance for Children of Seriously Disabled Pensioners—There are children of disability pensioners who, due to the father's permanently disabled condition, are in much the same situation as they would be had their father died on service. While he lives his children cannot receive educational assistance but the day following his death his children will be eligible for assistance under the Children of War Dead (Education Assistance) Act.

The children of a man who is seriously disabled because of his service and therefore unable to work, suffer considerable handicap because their father is not able to supplement his pension. As a direct consequence of his service disability his chances of making provision for his children's higher education are very poor. Therefore, this group of children is, we believe, worthy of consideration.

The Canadian Legion Therefore Recommends that the act be amended so that the minister be given discretion to extend the benefits of this act to the children of disability pensioners in cases where the man's disability is a serious handicap in providing higher education for his children.

We thank you, Mr. Chairman and members of the committee for this opportunity of presenting our views and recommendations on this very important legislation. The act is indeed a credit to Canada and we believe that our proposed changes will make it even more effective.

The CHAIRMAN: Thank you, Mr. Burgess. Are there any questions which you would like to direct to Mr. Burgess?

Mr. THOMAS: Have any figures been prepared as to how many children are affected?

The CHAIRMAN: Yes. We will get that from the officials of the department when they give their statement.

Mr. HERRIDGE: I presume, Mr. Burgess, that you have come to these conclusions as a result of representations from the branches of the legion and from the experience of the welfare officers in having to meet this type of case.

Mr. BURGESS: Yes; and the recommendations of our executive council.

The CHAIRMAN: Are there any further questions?

Mr. MONTGOMERY: I have no questions; but I would like to make a comment. I am not familiar with this act and perhaps there are other members of the committee who are in the same position. I do not think we are in a position to ask any questions until we have had a statement from the department on the background of this whole thing.

The CHAIRMAN: If you wish to hear the departmental officials at this time they can be brought forward. The representatives of the legion will be with us so that they can fill in the details as we go along.

Before we hear from the departmental officials, I have received a communication from the War Amputations of Canada, with reference to this legislation. I think this might be the opportune time to read this into the record.

I might add that the War Amputations of Canada expressed a desire to appear before this committee. We had a deadline of July 31 and because of that they decided to defer their general appearance until the next session of parliament. However, with reference to this legislation before us they have indicated as follows:

We have noted in *Hansard* that the Minister of Veterans Affairs has announced proposed amendments to the Children of War Dead (Education Assistance) Act.

This subject is of particular interest to our association, because at our last dominion convention a resolution was passed requesting the government of Canada to amend this act. A copy of the resolution is attached hereto.

In our opinion there is some uncertainty in the wording of the act regarding the position of children of our members under classes 1 to 11 who die as a result of a non-pensioned condition, and where pension is awarded on behalf of their widows and children. Naturally we believe that provision for such children should be made in the act.

One of the provisions in the Veterans Charter was the opportunity of a university education for those who served in World War II. We feel, therefore, that similar opportunities should be available for the children of the groups I have mentioned above, who were seriously disabled in World War II.

Your sympathetic consideration of these views would be deeply appreciated.

We would, also, be most grateful if you could send us a copy of the bill dealing with the act as soon as it is tabled.

With kindest regards,

Yours sincerely,

(Sgd) Alan L. Bell
Honorary Dominion Secretary

Now the resolution is as follows:

WHEREAS by the Children of War Dead (Education Assistance) Act, assented to May 1953, educational assistance is granted to surviving children of those killed during service, those who died subsequently of war-incurred disabilities, and those who may yet succumb to such pensioned disabilities;

WHEREAS the children of those suffering amputation due to war service cannot qualify in the event of the death of the pensioner, as it is unlikely that the commission will concede death due to disability;

WHEREAS The War Amputations of Canada is the only large group of pensioners who cannot benefit from this legislation;

THEREFORE BE IT RESOLVED that we, The War Amputations of Canada, in convention assembled, do hereby petition the government of Canada to amend the Children of War Dead (Education Assistance) Act to include the children of war amputees who, at time of death, are in receipt of 50 per cent pension or above, and that cause of death be ignored as a factor in the cases of children of war amputees.

Mr. Parliament, Director of Welfare Services for the department, will make the statement.

Mr. G. H. PARLIAMENT (*Director General of Veterans' Welfare Services, Department of Veterans Affairs*): This is a brief statement on the general outline of the act:

The Children of War Dead (Education Assistance) Act was assented to on May 14, 1953, and came into force on July 1, 1953. Unfortunately, as originally worded the act excluded, on purely technical grounds, some children whom it was intended to cover and who are now included in subsection (c) of Section 2.

The act provides assistance to children whose fathers were killed in action or subsequently died as a result of service-incurred disabilities, and the children are or have been in receipt of a pension.

The act provides allowances and fees to children attending courses requiring matriculation or its equivalent for entrance.

The fees are limited to \$500.00 and the allowances are \$25.00 per month while in attendance at a course. In addition, the pension is continued by the Canadian Commission at the rate of \$40.00 per month up to the twenty-first birthday.

The student is required to be pursuing a course of full-time instruction and is limited to four academic years or thirty-six months, whichever is the lesser. The student is required to commence the course within fifteen months after matriculation.

The act does not permit the continuation of allowances or fees where the student fails in more than one supplementary examination. However, we do grant a deferment of one year while the student is continuing, at his own expense, a repeated year.

The payment of allowances and fees is not continued beyond the twenty-fifth birthday, except to enable the student to complete the academic year in which he attains that age.

As of June 30, 1958, 1,125 children had been approved for training under this legislation since its inception.

The CHAIRMAN: Thank you, Mr. Parliament. Before we proceed to the consideration of the bill gentlemen, perhaps it would be advisable, as Mr. Montgomery has suggested, to have some preliminary questioning for the sake of eliciting additional information, so if you have questions at this time they will be received by the chair.

Mr. HERRIDGE: What was the cost of this act last year to the department?

The CHAIRMAN: Mr. Herridge, these figures will be available in a moment, so if there are any further questions at the present time, would you please ask them.

Mr. FORGIE: There is a surprisingly large number of students; I thought there would be a smaller number of students than that—1,100.

Mr. PARLIAMENT: There figures I have given you are the applications that have been approved to date. They are children of war dead and I think you will find in regard to the ages of the children having reached university level, the figure will increase as time goes on.

Mr. THOMAS: Mr. Chairman, have any figures been prepared by the Legion or departmental officials which would indicate the numbers that would be involved in case these proposed amendments were accepted?

Mr. LALONDE: We have these figures under the different groups mentioned in each clause of the bill. We will give these as we come to these groups.

Mr. MONTGOMERY: As I understand it from the statement, it is only children of pensioners who are approved by the pension committee who are given assistance under this act; is that correct?

Mr. PARLIAMENT: If the pension decision is that the father dies of a war incurred disability. We are limited by section 13(1) of the Pension Act and the schedule of this Bill. The decision must be that the father died of his pensionable disability.

Mr. MONTGOMERY: Then, is it an automatic procedure?

Mr. PARLIAMENT: They would then automatically come under the children of War Dead Educational Assistance Act.

Mr. MACDONALD (*Kings*): Is that regardless of the amount of the pension?

Mr. PARLIAMENT: Let us take a case, for example, of this kind. If a veteran with a 10 per cent disability or 25 per cent disability died of his pensionable disability, as I understand it the pension commission would grant pension under section 13. That is acknowledged in the act.

Mr. FANE: Over a 50 per cent pension it does not really matter what he dies of.

Mr. PARLIAMENT: That is a pension matter under the children of war dead. We could not do it unless the pension commission gave a decision he died of his pensionable disability. I think that is probably the reference of the war amputees in their resolution and the Legion in their Brief. In many of these cases a man could die and have been in receipt of a 50 per cent pension but the pension commission would still have to give a decision.

Mr. FANE: So long as it was between clauses 1 and 11.

Mr. PARLIAMENT: I think I had better let the pension commission officials give you an explanation as to how the act is interpreted. We are bound by this act which requires that the child be pensioned under section 13.

The CHAIRMAN: Mr. Fane, do you wish that explanation?

Mr. FANE: Yes, because I understand the way this reads if a pensioner dies who has a disability of over 50 per cent, his children are eligible more or less automatically no matter what he dies from.

Mr. LALONDE: They are not at the moment—

Mr. BROOKS: They are not for the educational benefits, but they are eligible for pension no matter what he dies of.

Mr. HERRIDGE: Would Mr. Mutch clear this up for us?

Mr. L. A. MUTCH (*Deputy Chairman, Canadian Pension Commission*): So far as this question is concerned, the act as it is presently provides that when a pensioner dies in receipt of a pension of 50 per cent or more—actually it is 48 per cent—his widow and children are automatically pensionable no matter the cause of his death. For instance, a man might be pensioned at 60 per cent for a heart disability and he might be smothered in a fire or in an extreme case he might die any unrelated violent death—any death at all. The commission would immediately put the widow and children on pension with one month's pension. When all the facts are available, i.e. re the cause of death, if the ruling for the cause of death is that his death was due to his pensionable disability, this would leave his dependents in exactly the same position as any other pensioner whose death is due to pensionable disability. His dependents are not restricted. But when as often happens, there is no relationship between the cause of the pensioners death and the condition for which he was pensioned, then the situation which you are now discussing arises. So far as the Canadian Pension Commission is concerned the deceased's dependents are automatically pensionable and we put pension in payment for his widow and children as soon as we are able to determine the marriage status if pension was in payment at 50 per cent or more.

Mr. HERRIDGE: And that same situation prevails whether the pensionable disability is 75 per cent or 80 per cent.

Mr. MUTCH: Anywhere above 48 per cent actually.

The CHAIRMAN: Mr. Parliament has the figures for which you asked a few moments ago.

Mr. PARLIAMENT: Mr. Herridge asked for this information. The total cost of the children of the war dead as of June 20, 1958 was \$885,939.

Mr. HERRIDGE: Was that figure for that particular year?

Mr. PARLIAMENT: The total cost of the program; last year I believe it was approximately \$150,000. That is from April 1, 1957 to March 31, 1958.

Mr. LOCKYER: Mr. Chairman, would we have any information relative to the progress of the children?

The CHAIRMAN: We will have an answer to your question in a moment, Mr. Lockyer. Are there any other questions at the present time?

Mr. THOMAS: I wonder if we could have a brief statement from the officials of the department outlining the principle behind this act; that is, why was this act passed to cover certain classes of children and now we are asked if the proposal is made that the act be amended to include other classes. Has there been a change in conditions or do the reasons for which the act was drawn up in the first place still hold good? We are going to have to reach a decision as to whether or not these amendments are passed or not.

The CHAIRMAN: Mr. Thomas, the minister will answer that question for you.

Mr. BROOKS: Mr. Chairman, as Mr. Burgess stated in his brief, this matter came up before the committee some years ago—1953. I think the reason back

of it was that the children of war dead are deprived of their father and the widow received a rather small pension. It has been increased by committees and by governments as time went on. While the father was living they received the full pension; that is both the wife and the soldier received the pension, except of course in the case of someone who was killed in war. So naturally the pension today, and we will take that as an instance, the pension today of a widow is \$115. If a full pensioned soldier was still living with his wife the pension would be \$200 a month, not \$115; and besides that of course the children receive the \$40, the \$30, and so on, the children's allowances.

It is beside the fact that the widow was not alone while her husband was living, and that he, in most cases, was able to earn money besides receiving his pension.

I read it somewhere, or I heard it stated in the committee, that from 80 to 90 per cent of our men who are receiving pensions are also engaged in other employment, and could very well look after the education of their children and other responsibilities.

So this matter was taken up: children of the war dead; it was very difficult for them to get an education due to these facts; as Mr. Herridge can tell you, there was unanimous decision by committees in 1953 that this should be done.

The fact that we are coming back here for an amendment now is an indication that veterans legislation must be amended as we find some of the flaws in it. That is not a reflection on any previous committees, on previous governments, or on the Legion, because the Legion has told us this morning that they proposed this; but when they proposed it evidently they did not think of some of these other benefits which should have been given.

So we find today that we must improve the legislation and bring other people into it.

The legislation was based entirely on the receipt of pension, and pension for war dead.

We feel that those who were killed in peace time—that is, that their children are entitled to receive education just the same as the children of those who were killed in war time. Those are the feeling that are back of this, and I think it is excellent legislation.

The Legion is now asking for other improvements—improvements other than those we have suggested now. We gave very careful study to this bill and we always appreciate the Legion's stand. But like the little fellow in Dickens' story "Oliver Twist", the Legion always asks for more. Sometimes we are able to give it and sometimes not. However, that is their privilege.

We believe that the amendments we are asking for in this bill are needed, and that they will be of great benefit to children who were not included before.

As a matter of fact, I think it is going to increase anywhere from 25 to 33 or 40 per cent the number of children who will benefit from now on.

While I am on my feet I would like to speak about the Legion's asking for an increase in the amount. As Mr. Burgess pointed out in his brief previously, up until 21 years of age, the first child would receive \$65. If he is over 21 years of age, the pension would not be granted for \$40, and he would only have received \$25 after 21 years of age.

After 21 years of age the cost of education is just as great as before the age of 21, so under this bill we are asking to pay to all students \$60 a month. That is what the single veteran, I think, received during his educational studies in the university.

He speaks about a second child or a third child. It is very exceptional that you send three children from one family to university. However, there is no difference there. There is nothing about that. The argument would be just the same as saying that all children should receive \$40 a month pension.

The fact is that the first child—and previous committees thought that the first child should receive more than the second—receives \$40.

But the second child receives \$30, and the third child receives \$24. If we are prepared to change our whole pension system and pay them all the same, then they would all receive the same for educational grants. But I think that after careful study of this bill the committee will find the terms of the amounts recommended to be very generous, and that they are going to be very beneficial as far as the children are concerned.

The CHAIRMAN: Thank you very much, Mr. Minister, for these comments.

Mr. MONTGOMERY: As a matter of information: this suggested amount was laid down under section 25 of the Pensions Act as the original educational assistance. I take it that if that was put into effect, it would do away with applying to the pension board to determine whether this child was eligible for educational assistance. Am I right?

Mr. LALONDE: The answer to that is that under section 25 the pension commission makes awards to widows or orphans of pensioners who did die from a pensionable disability, and to pensioners who did die of causes other than from pensionable disability. We propose that where the pension commission makes an award under that section following death due to pensionable disability, the children should be eligible under the act.

But where the pension commission makes an award of pension on a compassionate basis, and the death was not connected with service, we suggest that the child does not come within the group intended to be covered by this act; the group that the minister has just referred to, those who died on service or as a result of their service; that is the distinction which is made in this amendment.

I might add, in respect to Mr. Thomas' question, that none of the groups who are included in the bill, except the group to which the minister has referred for peace time service,—is a group which did not come within the original intent of the act.

I think that the simple explanation would be that when this section was passed in 1953, it was drafted with a view to covering all these children. But unfortunately, to err is human, and some mistakes were made in the drafting, with the result that some children were left out when it was not intended to leave them out.

What we are trying to do now is to bring those children under the act as they should normally have been brought under it at the beginning.

Mr. MONTGOMERY: Thank you very much, but there is still further information I would like to have, and that is with respect to the Legion's suggestion that all children pensioned under section 25 be eligible.

Mr. BROOKS: Have you read section 25?

Mr. MONTGOMERY: Only as it is quoted in the brief "The commission may on special application"—in other words, if the Legion—

Mr. BROOKS: Your question is whether the soldier had died or not?

Mr. MONTGOMERY: No, no. My question is this: if the Legion's recommendation was accepted, there would be no necessity for the pension board, under section 25 to determine whether the applicant, the child, was eligible. In other words, if I understand section 25, the pension board decides whether the child is entitled to these benefits for educational purposes.

Mr. BROOKS: That is true of all children receiving education under the act, and that would apply to them just the same; there would be no exception here.

It is understood, whether it is mentioned or not. As a matter of fact, it is mentioned in the act. There are certain educational qualifications which they must have.

Mr. HERRIDGE: I presume, supposing the committee accepts this amendment, it is the practice to inquire from the pension board if a person is entitled under the law to receive the benefits, whatever be the act.

Mr. LALONDE: Eligibility under the Children of War Dead Act flows in every case from the decision of the pension commission.

Mr. MONTGOMERY: It would still continue to flow under the suggested recommendation of the Legion?

Mr. LALONDE: It would always flow from the decision of the pension commission because that is the only way you can determine who is pensionable and who is not; and then the department would apply the decision of the pension commission in accordance with the provisions of this act.

Mr. MONTGOMERY: Should the Legion's recommendation be adopted, every child that is pensionable under section 25 would be entitled to this assistance.

A pensioner might die of his disability and he might leave children; and he might have been worth plenty of money, sufficient to take care of the education of his children without their having to be assisted by the government.

Mr. HERRIDGE: He would not come under this clause.

Mr. LALONDE: I think what you are getting at is that there is no means test under the act.

Mr. MONTGOMERY: Yes.

Mr. LALONDE: There is not. So far it has not been government policy to include a means test under this act because in the same way that a pension is paid as of right, whether you are rich or poor, by the same token the children of the war dead should get these benefits whether they are rich or poor.

The benefit flows from the pension. So, would it be right to introduce a means test in something so closely connected with the pension scheme?

Mr. MONTGOMERY: I do not say whether it is right or wrong. I want to know if that is one of the tests.

Mr. LALONDE: There is no means test in the act now, and there is no suggestion that there should be a means test.

Mr. BROOKS: With reference to the question asked by Mr. Montgomery; section 25, as I understand it, was put into the act—and I remember it was discussed some years ago—it was put into the act, not for widows whose husbands had been rich or men who are rich, but for men who needed a pension and could not get it under any of the other sections.

Mr. HERRIDGE: On a compassionate basis?

Mr. LALONDE: Yes.

Mr. BROOKS: Yes, on a compassionate basis. The financial situation would be taken into consideration, so far as that is concerned. Therefore they would not be rich men.

Mr. HERRIDGE: You need not worry about that.

The CHAIRMAN: Mr. Burgess wishes to clarify that statement.

Mr. BURGESS: As the minister said, it would not be those who did not need it. I would emphasise the fact that it would seem inconceivable that the pension board would grant a pension to the dependents of someone who had been killed, if they did not need it. For those who do need it, we feel that all the children should receive the same assistance.

After all, there are not many of them. It involves very few. I might say that the Legion is proud to be asking for more, not for members of the Legion or not for veterans, but for the children of disability veterans.

There is one other point I might refer to while I am on my feet, and that is that this would seem to be a one-way street, in that the only children who

are benefitted under the present legislation are children who are the sons and daughters of pensioners; but not the sons and daughters of all pensioners are receiving assistance under the Pension Act.

The CHAIRMAN: Mr. Webster has a question.

Mr. WEBSTER: I was wondering if the department has any idea of what the increased cost would be. Can you give us any figures?

Mr. HERRIDGE: Were we not going to give that information when the sections are before the committee?

The CHAIRMAN: We will deal with those specific items when we come to the clauses.

Mr. CARTER: I was wondering about Mr. Mutch's statement which, I think, was in reply to a question of the interpretation of what Mr. Parliament said. After listening to what he said, I am wondering what the position would be with respect to a veteran who had disability which, under normal circumstances, would result in death. Let us say that eventually he would die of his disability, but it so happens that he is drowned or is run over by a motor-car. In other words, fate intervenes. What is the condition of his children? He does not die of his disability, but he would have died—

Mr. ORMISTON: If he had lived long enough?

Mr. BROOKS: That is what is called a hypothetical question in the House of Commons.

Mr. CARTER: Oh, I do not think it is a hypothetical question. It is a real point. Is the law interpreted according to the letter or according to the spirit in a case of that kind?

Mr. MUTCH: In regard to that question, the Pension Commission are bound by the coroner's certificate as to the cause of death. We have no power to project a man's disability into the unlimited future. If his death is untimely and caused by accident, we rule in accordance with the death certificate which is furnished to us by the coroner. We have no other choice.

The CHAIRMAN: Mr. Parliament has a reply to Mr. Lockyer's question.

Mr. PARLIAMENT: This act came into force in 1953. We have had only 157 graduates from universities and 151 under what might be called vocational training—and by that I mean agricultural training, nursing, and a few other secretarial courses. Sir, we have had a very, very limited experience.

We are getting good reports. If you want to have information about withdrawals, after they have entered, and the reasons for which they withdrew, I can give you those figures. The figures are as follows: 47 male, and 7 female have discontinued because their entitlement expired. You will find this figure somewhat higher than it may be in ordinary experience later on, because we did pick up a number of children who were almost to their 25th birthday, and that is the only reason the entitlement would have expired. Then, 43 men and 27 women discontinued for various reasons. These are voluntary withdrawals. I might say that marriage has had some effect on it.

Then, the failures—all those should be added to the graduates—would be 10 men and 16 females, giving a total of 150 males who have withdrawn and 10 females. That makes a total of 200, which in addition to the graduates mentioned.

Mr. LOCKYER: I am glad to have that schedule on record, because it is interesting. It shows that this investment in the education of these children is very much worth while.

Mr. MATTHEWS: Mr. Chairman—

Mr. CHAIRMAN: I might say at this time that we welcome you, Mr. Matthews, to this committee.

Mr. MATTHEWS: Thank you very much.

The CHAIRMAN: I believe this is the first sitting you have been able to attend since you were appointed the other day.

Mr. MATTHEWS: Thank you, Mr. Chairman. These children who take the courses—are there any standards they have to live up to? I have in mind someone who might go in to take training and not apply himself. Is there anything in that, at all?

Mr. PARLIAMENT: They are followed up every year by our welfare officers in the district, and we have close contact with the universities themselves. Most of the universities have some kind of counselling service, and they are very happy to watch over them. But they must have their matriculation, or its equivalent.

Mr. BROOKS: They have to matriculate before they enter.

Mr. PARLIAMENT: Of course, in order to continue the allowance, the child must pass, and has an opportunity of writing a supplementary examination if he does not pass. If they fail in more than one supplementary examination the allowance is discontinued. We will give them a deferment, while they repeat that failed year, at their own expense.

Mr. MATTHEWS: I know a number of cases which occurred after World War I when the Civil reestablishment funds were given, where perhaps a six-month course was given. Some of them did not apply themselves; they just took the money and forgot all about it.

Mr. PARLIAMENT: Well, I can assure you, sir, that that does not go on now.

Mr. HERRIDGE: Just study the history of the veterans university education, and other benefits.

The CHAIRMAN: Before we have any further questions, I believe Mr. Mutch would like to clarify a question that was asked.

Mr. MUTCH: I have a slight correction in connection with an answer. I think I should have said in my earlier remarks, in connection with those cases I spoke about a few moments ago. Where the deceased pensioner was in receipt of a 50% pension, or more, the award of pension to dependents is made irrespective of whether his death was due to his pensionable disability or not. So those remarks do not apply to him. I just wished to be sure that I had made myself clear.

Mr. THOMAS: Do these educational benefits apply in the case of a nurse in training?

Mr. PARLIAMENT: Definitely; that is how most of the girls are trained. I could give a breakdown of the number of nurses, if you wanted that. These are only graduates; but of 151 vocational graduates or from what we call a vocational course—they still come under this Act—of the 151 who have completed training, there were 76 who have graduated as nurses.

Mr. MACRAE: What else is covered by "vocational"?

Mr. PARLIAMENT: So long as they have entrance to a course which requires matriculation or its equivalent. Let me give an example: the Ryerson Institute in Toronto have a radio course, and a few other courses, where you cannot enter unless you have your matriculation. They will not admit you into the course. I think the same is true of a vocational school in the Maritime province at Truro.

Mr. MACRAE: At Moncton, yes.

Mr. ROGERS: Is that a junior matriculation, or senior?

Mr. PARLIAMENT: A junior matriculation, or its equivalent. You will find that the department interprets broadly the equivalent.

The CHAIRMAN: Does that complete the general questioning, gentlemen? If so, we can proceed with the bill itself.

On clause 1.

Mr. HERRIDGE: Mr. Chairman, with respect to clause 1 and the amendment proposed by the Canadian Legion I just want to say this: first of all, I would like to know what would be the cost involved. I think the deputy minister said that he could give some estimate of the cost of implementing this proposed amendment.

Mr. LALONDE: As I understand it, Mr. Chairman, the amendment proposed by the Canadian Legion is that all those who receive a pension under section 25 of the Pension Act should be eligible under the Children of War Dead (Educational Assistance) Act.

Mr. HERRIDGE: Yes.

Mr. LALONDE: Perhaps that would include some people who receive a pension for death not due to service. The way the amendment in the Bill reads is:

a person on whose behalf a pension is being paid under section 25 of the Pension Act in respect of the death of his parent if the injury or disease or aggravation thereof resulting in the death of the parent was attributable to or was incurred during military service within the meaning of section 13 of the Pension Act.

This means that, in regard to those who receive a pension under section 25, and the parents' death was related to military service, the children will be eligible under the Children of War Dead (Educational Assistance) Act.

Mr. HERRIDGE: Yes, but the Canadian Legion amendment goes further than that, does it not?

Mr. LALONDE: That amendment proposes, I take it, to include children whose father died of other than service disabilities. That is the only explanation I can see for the legion amendment.

Mr. D. M. THOMPSON (*Director, Services Bureau, Dominion Command, Canadian Legion*): Mr. Chairman and gentlemen, Mr. Lalonde's interpretation of our proposed amendment is quite correct. The case of a man whose death is due to service would normally come under section 13 and would not be involved in a section 25 award.

Our point here is that for a child to be pensioned under section 25 the case must be thoroughly considered by the pensions commission. They must be satisfied that the case is one which is specially meritorious. They are given the authority under the Pension Act to authorize a pension under the Pension Act. This amendment proposed in Bill C-45 would extend, to some of the children who are pensioned under section 25, the opportunity to go on with higher education under the education assistance act, but would leave out some other children.

Our point is that all these children, in order to receive a pension, must be specially meritorious cases in the opinion of the commission. This is based on a further ruling by the commission as to whether or not death was due to service.

Normally those cases, as I say, would come under section 13 and not under section 25. I do not have the figures, Mr. Chairman, of the number of children pensionable under section 25. The pension officers may have those figures. I would suggest, though, that the number of children pensioned under section 25 of the Pension Act is very small.

It does seem to us that there is some differentiation in this regard. It says at they all must be meritorious cases. I can speak from experience, having made representations to this committee, and say that these cases are very

carefully considered by the pensions commission having regard to service and other considerations before an award is allowed. These cases are all very thoroughly considered before they are allowed payment under section 25.

Mr. Lalonde is quite correct when he suggested that all children pensioned under section 25 would be eligible for consideration under the education assistance act providing, of course, they meet the other qualifications of that act.

Mr. HERRIDGE: Mr. Chairman, I quite agree with the remarks of the witness, particularly after hearing the figures with regard to the cost last year, which was something less than \$400,000 and after hearing the minister suggest there was a possible 25 per cent or 30 per cent increase.

Mr. BROOKS: I am not objecting, but I think we should explain it, Mr. Herridge.

It is just now that the boys and girls of second war veterans are beginning to go to college. The second world war has been over for 12 or 13 years and it is just the past year or two that are involved. This year we have more students than we had last year, and last year more than the year before, and so on. There will be a tremendous increase. The small number that was mentioned here just gives an indication of the fact that there were some older men who took part in the second world war. However, the majority of the men were younger, and the number of students will increase very rapidly during the next five or six years.

Mr. HERRIDGE: Mr. Chairman, to continue my remarks, I would suggest that I am on very sound ground. I am not objecting to this amendment, I am just comparing what we are attempting to do with what is being asked by the Canadian Legion.

We spent enough money bringing Hungarian immigrants to this country in the last two years to administer this whole act under the present circumstances for a period of 20 years. We heard an announcement yesterday that there was another 1,100 Hungarian immigrants being brought in which will cost, according to the best guess, \$1 million. That amount of money would cover the expenses of administering this act for a number of years under the present circumstances.

In addition to that, the taxpayers of this country have paid the cost of a university education for a number of Hungarian students at the University of British Columbia including a living allowance and living quarters which were provided by the air force, and so on. I am not objecting to that, but I do say that if we can do that for the people who were on the other side in the second world war, we can do what is suggested by the Canadian Legion for the sons and daughters of those who fought for this country and for the things in which we believe.

Some hon. MEMBERS: Hear, hear.

Mr. ROGERS: Mr. Chairman, just what is our position? I take it that the minister has gone into this bill very carefully and that we want to get it through. With due respect to the amendments which are brought forward by the Legion, are we in a position to recommend that these amendments be put into the bill, or should we pass the bill and make a recommendation later?

The CHAIRMAN: We are faced with limitations in this committee.

Mr. ROGERS: I think it should be clarified.

The CHAIRMAN: I think it was clarified that we have no power to make amendments in this committee which would constitute an additional charge on the public; but we can make recommendations in our report back to the house.

Mr. ROGERS: Then should we not go on with the bill?

The CHAIRMAN: We want to make sure that everybody has an opportunity to present their views and to make sure that there is a thorough discussion of the bill clause by clause. We do not want to place any limitations at all on the discussion.

Mr. CARTER: Can the pension commission tell us how many are refused because they were not considered to be especially meritorious; how many were refused last year on that ground?

Mr. LALONDE: We estimate, Mr. Carter, that there are about 100 children involved in cases where a decision was made under section 25 instead of under section 13 and death was related to service.

Mr. CARTER: It says that the commission may, on special application, pick out certain special meritorious cases. How many do they select out of how many; how many were turned down and how many were granted?

Mr. MUTCH: There is no separate record kept. We have to consider approximately 82 to 114 entitlement cases each day. It fluctuates daily, five days a week. If you ask me what percentage of those are applications under section 25, offhand I cannot tell you. It might be possible to get it, but I doubt it because they are not classified as to the nature of the application. However, they come forward in a fairly constant proportion.

Mr. CARTER: I do not want to put you to any trouble, but out of a number of applications, according to this, the pension commission decides whether or not they are especially meritorious and are entitled to benefits and that some are not meritorious enough and you might not consider those.

Mr. MUTCH: First of all, need for decision under this section does not arise if the applicant is entitled under the entitlement section. If the applicant is unable to qualify under the terms of the act, then the commission has discretion under section 25 to consider whether or not the circumstances of this particular case merit an award and if an award is made the amount may not exceed the award which could have been made of right if such an award were possible under section 13.

Mr. CARTER: You received something like 114 or 115 applications of that kind each year?

Mr. MUTCH: No. I could not estimate how many offhand. We handle an average of nearly 100 new entitlement applications a day in the commission. What percentage are applications under section 25 I do not know; but I sign many of them, and I should think that they probably run three to five a week. Frankly, I am guessing, except that I have been doing it for five years and have a pretty fair idea.

Mr. CARTER: I did not hear you very clearly. Did you say there were something like thirty-five per cent?

Mr. MUTCH: No. I said that I believe they come in at the rate of about three to five cases a week.

Mr. LOCKYER: Mr. Chairman, I am sure that we all feel the same way. This bill seems to have the approval of representations made before and by the letter from the war amputees. I am sure we all feel we would like to broaden the application since we are going into an extension of the application. It is going to broaden out rather rapidly. I would suggest we pass this and since the minister knows his committee is very sympathetic to a further broadening of this bill, some amendments could be brought in later on which will meet the suggestions that have been made.

The CHAIRMAN: I think at this stage of our deliberations we should perhaps restrict our comments to questions and we will proceed along the line that you have indicated when we are considering our report back to parliament. Right now we should elicit as much information as possible from the officials as a basis for our discussion when considering our report.

Mr. BROOKS: I might say, Mr. Chairman, if I may, we have amended the bill to include those who have eligibility where the parent died after the child

attained his twenty-first birthday; eligibility where the parent's death resulted from peace time service—I might say we have had some trouble with that; eligibility where pension is reduced because of compensation from another source; eligibility where the child is granted a compassionate pension and eligibility where death occurred during Department of Veterans Affairs treatment. All these provisions have been added to this act and it has been in force since 1953. We thought we had combed it pretty thoroughly.

Mr. LOCKYER: That is exactly what I am suggesting.

Mr. HERRIDGE: We are just asking the minister to go another step further to include those very few that would come under this provision.

Mr. LALONDE: If you do that, Mr. Herridge, you must depart from the original principle, of death related to service. Once you introduce a new principle in the act, the next step will be one that is far more reaching and may eventually mean that all children of veterans should be entitled to educational assistance.

Mr. HERRIDGE: In reply to the deputy minister, I would say during my experience in this committee over a period of thirteen years we have on numerous occasions departed from a former established principle.

Mr. LALONDE: Yes, but you should know the consequences.

Mr. ORMISTON: To what extent is a child's previous academic education taken into consideration when extending assistance?

Mr. PARLIAMENT: In accordance with the requirements of the act he must meet the matriculation standing or its equivalent when he is accepted into the university or any school for training. I think that is as far as we can go. He must have his matriculation or its equivalent if it is a requirement of the course.

Mr. ORMISTON: It would seem then that this assistance is only given more or less for higher education.

Mr. PARLIAMENT: I do not feel it can be interpreted that way because there are many vocational courses which require junior matriculation.

Mr. BROOKS: But all high school education is free anyway; it is when you strike the university or vocational level that you pay for it.

Mr. PARLIAMENT: I might say, if you take the bureau of statistics record of the eligible children, the percentage of children that go to university is about 5 per cent of the population and in the case of children of war dead, it is about 8 per cent. Now those actual cases of children we know who have received a pension under the Pension Act, 24.24 per cent are taking advantage of this act.

The CHAIRMAN: Are there any further discussions, gentlemen?

Clause 1 agreed to.

The CHAIRMAN: Is there any discussion on clause 2.

Mr. GARLAND: We have been close to this subject on two or three occasions earlier today and I wonder if there has been a projection made of what this would cost if these proposed amendments are to become legislation; that is the annual increased cost?

The CHAIRMAN: We will have that answer for you in a moment, Mr. Garland. In the meantime, if there are any further questions you may ask them now.

Mr. THOMAS: As I understand this section, it is to continue the assistance to students on the same basis after they pass their 21st birthday, as it did before their 21st birthday?

Mr. BROOKS: That is correct.

Mr. THOMAS: It is just an adjustment of assistance so that any discontinuance of pension stopping at the age of 21 will not interfere with their training.

Mr. BROOKS: That is right.

Mr. HERRIDGE: That is \$5 a month less than we pay to an Hungarian immigrant if we are maintaining him, or a child. I still take that stand. The figures are so small in relation to money expenditure in other directions that I cannot understand why we reject this proposal of the Canadian Legion for \$75 a month.

Mr. BROOKS: In reply to your question, Mr. Garland, this is being worked out now.

As I said before, the number of children who are taking advantage of it is increasing very rapidly. Next year the cost would be much lower than the following year and so on, because the children are getting older and becoming of university age now.

Mr. GARLAND: Yes, I recognize that point. But before this legislation was envisaged, there must have been a projection made as to what the increased cost would amount to.

Mr. LALONDE: The increase in cost on the basis of present enlistment—we cannot forecast accurately future enlistments, therefore we have to base our estimate on today's figures—it will be approximately \$100,000 a year, plus the cost for the group over 21, which it is not possible to estimate because we do not know how many there will be. At the moment they are not under the act.

If the amendment goes through, they will come to us to take advantage of his benefit, and only then will we know how many will be affected; so the answer is about \$100,000 a year, plus the cost of the first item of clause 1 of the bill.

Mr. PARLIAMENT: Mr. Garland asked if a projection had been made. We did make a projection of the number of students who would come under the act. In 1961 we figured there would be 1,160. Unfortunately we were wrong, because including July's figures, we passed that number the other way. It is 1,161 actually. That we have approved. So we are about two years ahead in our expenditures.

Mr. STEARNS: The amount of \$60 per month multiplied by 12 would come to \$720 a year which, I think, is a pretty far scholarship today at any of our universities.

This amount will either pay for their tuition or their board. It will not pay for both, that is certain. But during the summer vacation—I know about the little university with which I have to do—any scholarship over \$500 a year is very very well received, and I understand that students are tickled to death to get them.

With all due respect to Mr. Herridge, I do not think we should go too far in this matter of scholarships.

Mr. HERRIDGE: My point is that we should go as far as we have gone in other directions.

Mr. BROOKS: Besides this so-called scholarship, we pay the fees up to \$90.

Mr. STEARNS: I have not even considered that. I think that the \$720 a year is a very very generous amount for a lot of these students.

Mr. THOMAS: It would not necessarily be \$720 a year. However, it is \$ a month.

Mr. BROOKS: It would depend on the course that is taken.

Mr. LALONDE: Nursing is a 12 month affair; engineering is only for nine months each year.

Clause 2 agreed to.

On clause 3—additional conditions in certain cases.

The CHAIRMAN: Is there any comment on clause 3, or is clause 3 agreed to?

Clause 3 agreed to.

On clause 4—

Mr. HERRIDGE: With respect to clause 4, the Legion recommends—

That the act be amended so that the minister be given discretion to extend the benefits of this act to the children of disability pensioners in cases where the man's disability is a serious handicap in providing higher education for his children.

I thought the president of the Legion, when he presented this brief, gave very sound arguments in support of that amendment. I think it is a very reasonable suggestion because the minister is given discretion which means that his officials will investigate thoroughly any case to see if there is any serious handicap, and would recommend to him that consideration be given to including such children under this act. In view of what we can do for other people, then certainly we can do it for these. It is only peanuts, compared with the money we are willing to spend in other directions. We are dealing with the children of veterans of this country and, by George, they should get every consideration.

Mr. FANE: We would not be here if it were not for them.

Mr. THOMAS: I have a feeling that Mr. Herridge's argument does more credit to his heart than to his head.

Mr. HERRIDGE: Do you mean to say that we cannot afford this? Do you suggest—remember, I am a businessman, and I never suggest anything that is not sound from a business standpoint.

Mr. THOMAS: I am not suggesting that we cannot afford it, but there is the matter of equity that enters into it. We take all of the children, as has been pointed out, under certain categories. Now, if we break away from that and establish a new category, wherein we begin to take certain children under other categories, then we open up a whole new field.

Mr. HERRIDGE: Oh no.

Mr. THOMAS: That is the question I asked in the first place. Do these proposed amendments break new ground?

Mr. HERRIDGE: No.

Mr. THOMAS: Are we over-reaching the principles under which the legislation was first established? Are we trying to extend the scope of what it was originally intended the legislation should cover? If we are, then it is a matter of policy whether we make an increase or not. It is not primarily a matter of cost, as I see it.

If it is just a suggestion that we should extend the scope of the act, then that is a matter of principle that we should follow up and decide, regardless of cost. We must take cost into consideration, of course, but cost is not the primary factor. If you are breaking new ground for the sake of even a handful of students, we are still breaking new ground as a matter of principle and we should make a decision.

Mr. HERRIDGE: We are asked to spend money in other directions, in the name of humanity. And the Legion, in the name of humanity, is asking that we adopt a principle with respect to the children of needy veterans, so far as

their educational assistance is concerned. What they are asking is that we apply humane principles to the children of needy veterans in this country, and the children of the war dead. Surely we can extend to them the same financial assistance that we can extend, on the same basic principles, in other directions. These children are entitled to the first consideration, so far as what we can do for them is concerned.

The CHAIRMAN: This has been an interesting discussion, gentlemen. I have allowed it to proceed thus far. However, as I have suggested, these are matters that will have to be thrashed out in a final recommendation.

Have you any further questions on clause 4?

Clause 4 agree to.

Preamble agreed to.

Title agreed to.

The CHAIRMAN: Shall the bill carry?

Some hon. MEMBERS: Carried.

(Agreed)

Mr. FORGIE: I think there might be a fair compromise on the situation which was discussed here today regarding this section of the act. I think we should wait, as members of the department have stated, to see what the result will be in connection with the number of children who will be taken in the next year. This matter can then come up again before the committee, because it is a standing committee. The matter can be thoroughly reviewed.

Mr. HERRIDGE: We have to make our report.

The CHAIRMAN: Yes. That is a very worth while comment, Mr. Forgie. We have a standing committee, and we can review this legislation. Now, shall we proceed from this stage?

Before we adjourn for lunch I would like to mention that we have two matters to deal with at some time in the future.

First of all, we must prepare our report on this bill for the House of Commons. Secondly, we must deal with the matter of the merchant navy representation.

What does the committee wish to do in this regard?

Mr. CARTER: Mr. Chairman, you mentioned earlier that the departmental officials were preparing a brief for the information of the members of this committee. I would like to ask to have included in that brief the comparative rates of pay that merchant seamen received, as compared with other members of the armed services during that same period, if that can be done without too much inconvenience.

I would also like to ask to have included in that brief the contactual basis which may be involved with respect to the merchant navy.

Mr. FORGIE: I would particularly like to know if there was any relationship between the Department of National Defence and the shipping companies, and whether this involved a cost plus contract. If the costs were paid by the government of Canada to the companies on a ten per cent basis, the wages paid to the seamen would therefore be included in that cost, and therefore payable by the government of Canada.

Mr. LALONDE: We could not include that information in our brief, Mr. Forgie, because I think the only people who would have access to that information are the officials of the Department of Transport.

Mr. FORGIE: I do feel that we should have that information available.

Mr. LALONDE: If members of this committee wish, I could contact the deputy minister of the Department of Transport and ask him to make a witness available.

Mr. FORGIE: I do believe that such a witness should appear before this committee.

The CHAIRMAN: It appears from this discussion that we will not be able to deal with the merchant navy subject today.

Do we have the approval of the committee to sit this afternoon?

Mr. HERRIDGE: Are you suggesting that we sit this afternoon to deal with our report on this bill?

The CHAIRMAN: Yes. We must consider our report in regard to this bill. If it is the general wish of the committee we will have a steering committee meeting around two o'clock in my office. Does that meet with the approval of this committee?

Some hon. MEMBERS: Agreed.

(Committee adjourned.)

HOUSE OF COMMONS

First Session—Twenty-fourth Parliament

1958

STANDING COMMITTEE

ON

Physical &
Applied Sci
Serials

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

re: Submission by
Canadian Merchant Navy Veterans Association

THURSDAY, AUGUST 7, 1958

WITNESSES:

Mr. G. L. C. Johnson, Department of Transport; Mr. Lucien Lalonde, Deputy Minister, Department of Veterans Affairs; Mr. C. F. Black, Superintendent, Veterans Insurance; Mr. J. L. Melville, Chairman, Canadian Pension Commission.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

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Vice-Chairman: G. W. Montgomery, Esq.

and Messrs.

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Bigg,
Broome,
Cardin,
Carter,
Clancy,
Denis,
Fane,
Forgie,
Garland,
Herridge,

Houck,
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Kennedy,
Lennard,
Lockyer,
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MacEwan,
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Robinson,
Rogers,
Speakman,
Stearns,
Stewart,
Thomas,
Webster,
Weichel,
Winkler—40.

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

House of Commons, Room 118,

THURSDAY, August 7, 1958.

The Standing Committee on Veterans Affairs met at 10:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Bigg, Broome, Carter, Clancy, Dinsdale, Fane, Forgie, Herridge, Kennedy, Lockyer, Macdonald (*Kings*), McIntosh, Matthews, Montgomery, Ormiston, Parizeau, Regnier, Roberge, Robinson, Rogers, Speakman, Thomas, Weichel, Winkler.

In attendance: Captain G. L. C. Johnson, Assistant Chief, Nautical Division, Department of Transport, former Director of Merchant Seamen; Mr. J. L. Melville, Chairman, Canadian Pension Commission; Mr. Lucien Lalonde, Deputy Minister of the Department of Veterans Affairs; Mr. F. L. Barrow, Departmental Secretary; Mr. J. G. Bowland, Chief, Research and Statistics; Mr. C. F. Black, Superintendent of Veterans Insurance; Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board.

The Committee heard evidence on such matters as they relate to the submission of the Canadian Merchant Navy Veterans Association on August 1st, 1958.

Mr. Lalonde read a statement with respect to the eligibility of Merchant Seamen under veterans legislation. He was questioned thereon and so were Captain Johnson, Mr. Melville and Mr. Black.

The Chairman expressed his thanks to the Committee Members for their attendance and to the officials of the various Departments for their valuable assistance.

In turn, Mr. Ormiston expressed the Committee's appreciation of the able direction of the Chairman.

At 12:00 o'clock noon, on motion of Mr. Herridge, the Committee adjourned to the call of the Chair.

Antoine Chassé
Clerk of the Committee.

NOTE

As all of the Committee's Orders of Reference have been reported upon to recommendation on the above matters can be made to the House. However, the additional evidence heard is printed for information and further reference.

EVIDENCE

THURSDAY, August 7, 1958.

10:00 a.m.

The CHAIRMAN: Good morning, gentlemen. This meeting has been called, as you know, to obtain some further information on the merchant seamen problem. I think it was a week ago we had a brief which was presented by Mr. Heide, the Secretary-Treasurer of the Merchant Seamen Association. At that time we discovered there were not too many members of the committee familiar with this problem, which stretches back over a number of years. As a result, the steering committee decided that it would be helpful if we could have a session of this kind where we could obtain information from the officials of the Department of Veterans Affairs as well as from the Department of Transport. I believe you already have in your hands a memo that has been prepared providing background information. Has everyone received such a memo through the mail?

Mr. BIGG: No.

The CHAIRMAN: If not, we have extra copies that can be distributed and we could give our attention to that as our first item of business.

I would also like to introduce to you Captain G. L. C. Johnson, Assistant Chief, Nautical Division, Department of Transport. He is seated on my far right. He is the former director of the merchant seamen, so he has a broad grasp of this special problem. He will answer any questions that might arise from our consideration of the memorandum.

Now, gentlemen, what is your wish with reference to the memorandum; do you want to have it read or taken as read?

Mr. ROBERGE: I would suggest that it be read because I just received my copy this morning.

The CHAIRMAN: Is the committee agreed that we read the memorandum. Then on the basis of the information contained therein perhaps we could pursue an intelligent line of questioning?

Mr. HERRIDGE: I do not like that evidence of doubt in your mind.

The CHAIRMAN: Perhaps I should say a better informed line of discussion. I will revise my phraseology. Colonel Lalonde, the deputy minister, is in good voice this morning and he will be happy to read the memorandum.

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): Mr. Chairman and gentlemen, we prepared this memorandum from the information that we had on our own files in the Department of Veterans Affairs and, herefore, it contains only that information which was in our possession. The Department of Transport may have information that is not in here, and I am sure that Mr. Johnson will attempt to answer any questions about matters that are not included in the report. We will do our best to clarify any of the portions that do not appear to be too clear.

As far as the background of the problem is concerned, this is a review of events that have taken place since 1939; that is, since the problem arose.

background

When World War II was declared in September 1939, the only federal legislation governing the employment of merchant seamen was the Canada Shipping Act which fixed certain responsibilities of the owners. At that time,

merchant seamen secured employment in Canadian ships directly with the shipping companies or through a shipping office where they signed an agreement regarding their terms of employment. However the majority of merchant seamen served on ships sailing under other flags than the Canadian flag and no control was exercised by Canada over their employment. It is understood that, in case of injury or disability while serving at sea, these merchant seamen were covered by the normal rules respecting owner's responsibility. These were the rules included in the shipping Act itself.

It is not possible to determine how many Canadian merchant seamen served on this basis, nor where or how long they served.

The first item of legislation affecting merchant seamen was an order in council passed in November, 1939 under the War Measures Act to authorize the payment of pensions to merchant seamen and salt-water fishermen who suffered disability or death as a result of enemy action or counter-action. This provision was incorporated in the Civilian War Pensions and Allowances Act approved by parliament in 1946.

Also in 1939 the compensation to seamen (war damage to effects) regulations were approved. This order in council determined the scale upon which compensation could be paid by the government to personnel of ships of Canadian registry and Canadian salt-water fishermen for the loss of their personal effects as a result of enemy action or counter-action.

You note this did not apply to Canadian ships only.

In November, 1939 an order in council was passed to authorize free medical treatment to persons employed in ships of Canadian registry and to Canadian salt-water fishermen who suffered disability as a result of enemy action or counter-action and who were not entitled to such treatment under the provisions of part V of the Canada Shipping Act.

These were the people who were not entitled to treatment as sick mariners under the shipping act. They could receive treatment if disabled through enemy action or counter-action.

In May, 1941 an order in council authorized the establishment of manning pools to provide adequate accommodation on shore in Canadian ports for merchant seamen where they would receive board, lodging and pay provided they, in return, agreed in writing to go to sea on any ship of their own nationality or on any ship to which they might be assigned, the expense in respect to which accommodation and services on behalf of other than Canadian merchant seamen to be a charge against their respective governments.

In June, 1941 an order in council was passed to authorize that compensation by way of detention allowance may be awarded to personnel of ships of Canadian registry and Canadian salt-water fishermen for loss occasioned by discontinuance in whole or in part of remuneration for employment of which they were theretofore in receipt, in consequence of their detention resulting from capture or internment in a foreign country, and that the payment of such detention allowance be made retroactive to September 10, 1939.

We understand that the detention allowance was equivalent to their pay and bonuses.

In May, 1942 an order in council provided that merchant seamen, disabled by enemy action and thus prevented from resuming their occupation, could be granted training for the purpose of re-establishing them in civilian life under conditions similar to those which had been available to a person who had been so disabled while serving in the naval, military or air forces of Canada. (It is to be noted that these provisions applied only to merchant seamen in receipt of a pension whereas the post discharge re-establishment order applied to all serving personnel. It dealt with training for members of the forces.)

In September, 1943 an order in council was passed to provide treatment in Canada for merchant seamen for non-pensionable disabilities incurred on service at sea for a period of 18 months if commenced within 12 months of termination of service.

In April, 1944 the merchant seamen war service bonus order was passed authorizing the payment of a bonus amounting to 10 per cent of the annual earnings of merchant seamen to encourage experienced officers and seamen to engage with the manning pools for the duration of the war or for 2 years, whichever was the lesser. The bonus was payable from the date of signing this agreement or, in the case of a man on the strength of a manning pool or serving on a foreign ship at the date the order in council came into effect and who immediately signed the agreement on discharge from the ship, from April 1, 1944.

In September, 1944 the Minister of Finance wrote to the Minister of Pensions and National Health with respect to an exemption from paying income tax for merchant seamen "It has always been felt that a line must be drawn somewhere between civilian and non-civilian taxpayers. We have applications from a great many classes of citizens whose callings have been rendered more arduous or more dangerous as a result of the war, and a concession to one civilian group always leads to a number of applications from other groups, who claim that they are just as much entitled to the concession as the group to which it was made. I can assure you that we approached the Merchant Seamen question with great sympathy last year and went as far as we thought that we would be justified in going in view of the immense and insuperable difficulties of drawing a line between those who are not actually enlisted in the armed forces."

In May 1945 the merchant seamen special bonus order was passed and in the preamble it is said: "That merchant seamen are nevertheless employed in a civilian capacity and receive remuneration determined by competitive conditions and in accordance with regulations generally applicable to civilian employment." "That while it is not considered justifiable, having regard to the terms of employment and remuneration of merchant seamen, to make available to them benefits on the scale provided members of the naval, military and air forces, it is deemed advisable and equitable, in consideration of the essential services rendered by them, involving hardships and risks in many respects comparable to those met with by members of the forces, to offer certain additional benefits to those who have served in dangerous waters and are prepared to serve for the duration of the war, if required."

This order in council had the effect of extending the payment of war service bonus to those who had served under certain conditions, as laid down by the war bonus, between September 1939 and April 1944. It made the payment of the war service bonus retroactive to the beginning of the war instead of effective the first of April, 1944.

This order also made eligible for veterans insurance merchant seamen who were eligible to receive a special bonus as if they were veterans for the purpose of the Veterans Insurance Act.

It is to be noted that in March 1945, approximately at the same time as the special bonus order was passed, Prime Minister Churchill, when talking about merchant seamen in the United Kingdom, made this statement in the House of Commons: "The government cannot justify the extension of such benefits (veterans' gratuities) in any form to classes who are employed under the recognized conditions for the industry or profession to which they belong and who receive an industrial or professional rate of pay."

The parliamentary committee on veterans affairs of 1945 received representations on behalf of merchant seamen in October and on behalf of Halifax lots in November. It did not have time to study these representations and commended that they be considered by a small interdepartmental committee.

This interdepartmental committee reported to the parliamentary committee on veterans affairs in March 1946 but was not asked to make specific recommendations.

They only gave information to the committee as we are doing now.

On 9 July 1946 when dealing with the granting of loans to assist veterans in establishing themselves in business or professionally, the parliamentary committee recommended "that assistance, similar to that recommended for veterans, also be made available to former members of the merchant marine." Presumably this separate recommendation was made because the committee did not feel at the time that merchant seamen should be recognized as veterans; they agreed, however, that some such benefit should be given to merchant seamen under appropriate legislation.

On July 18, 1946 the parliamentary committee dealt with the civilian war pensions and allowance bill—and that is the bill giving authority for payment of pensions to merchant seamen, amongst others—and on July 26, 1946 presented its final report to the house. With respect to merchant seamen, it made the following recommendation:

That income tax be remitted in respect of detention allowances payable to merchant seamen under the provisions of order in council P.C. 12/4209 dated 12 June 1941, as amended by P.C. 87/5204 dated 16 July 1941.

On 30 August 1946, P.C. 210/3663 remitted the income tax payable on the war risk bonus and cost of living earned in 1943 and subsequently of merchant seamen who were prisoners of the enemy.

In other words, the committee's recommendation was accepted by the government.

On 15 June 1948, Mr. A. J. Heide, secretary of the Canadian merchant navy veterans association, presented a brief to the parliamentary committee on veterans affairs. He did not make any specific request but asked that merchant seamen be given the same benefits as former members of the forces.

In its final report on 22 June 1948 the committee supported an amendment to the Veterans Insurance Act to include merchant seamen and recommended further: "That, with respect to merchant seamen who have not attained the age of thirty years, the scope of the vocational training now authorized by the Department of Transport be enlarged to provide training benefits through the Department of Labour similar to those now granted veterans."

On 29 December 1948 this recommendation was implemented by P.C. 5983 "The merchant seamen vocational training order". The Department of Veterans Affairs administered the order but the Department of Transport paid the expenditures involved in the training programme.

On 13 December 1949, P.C. 6227 amended the merchant seamen vocational training order to give the ministers discretion to extend the training benefits to seamen above thirty years of age, which was an extension of the committee's recommendation.

On 8 June 1954, Mr. Heide again presented to the parliamentary committee on veteran affairs a brief on behalf of the Canadian merchant navy veterans association. He asked for civil service preference to be extended to merchant seamen, for Veterans' Land Act benefits for all merchant seamen, for vocational training under the Veterans Rehabilitation Act, for merchant seamen to be recognized as veterans. In its report on 11 June 1954, the committee recommended that the government give sympathetic consideration to the request of the Canadian merchant navy veterans association and more specifically that those who served during World War II in dangerous waters receive the benefit of the Veterans' Land Act. This recommendation was never implemented.

That brings us up to the parliamentary committee of 1958. We have listed here in the report all the benefits which the merchant seamen have received as a result of all these negotiations and recommendations which I have now related. Do you wish me to read on as well?

The CHAIRMAN: What is the wish of the committee in that respect?

Mr. HERRIDGE: I think it would make the record complete and concise if it was included.

The CHAIRMAN: It would be included along with the memo; do you wish to have it read?

Mr. HERRIDGE: As long as it is included with the statement.

Mr. MONTGOMERY: It may answer some questions which otherwise would be asked.

The CHAIRMAN: It is summarizing what has already been brought forward.

Mr. HERRIDGE: It will be included at the conclusion of the memo.

Mr. FANE: You might as well read it and complete the whole thing.

Mr. LALONDE: This, gentlemen, then is the list of the benefits which have been granted to merchant seamen in one way or another.

Benefits granted to merchant seamen

- (a) Pensions were granted for death or disability suffered as a result of enemy action or counter-action. Payments are authorized under the Civilian War Pensions and Allowances Act and include payments to widows and dependents of seamen killed by enemy action or counter-action. The rates are the same as in the Pension Act with the scale of ranks approximating the one used in the Pension Act, for the armed forces.
- (b) If pensioner, treatment is provided for pensionable disability, including hospital allowances on the same basis as a veteran pensioner is entitled to free treatment for his pensionable disability.
- (c) If pensioner, the benefits of the Veterans Land Act are available without restriction.
- (d) Full benefits under the Reinstatement in Civil Employment Act were given.
- (e) Treatment was provided for non-pensionable disabilities incurred in service at sea for a period of 18 months.

—that is a maximum period of eighteen months—if commenced within twelve months of termination of service.

(f) Merchant seamen received two types of bonus:

1. a war service bonus of 10 per cent of total earnings was paid to any seamen who signed an agreement to join a manning pool and service at sea for a period of two years or for the duration of the war—and then later on,
2. a special bonus of 10 per cent of all earnings, excluding overtime, was paid for all service in dangerous waters between 10 September 1939 and 1 April 1944.

As I have explained to you, the war service bonus was effective only from the first of April, 1944.

- (g) The benefits of the Veterans Insurance Act are available to seamen eligible for the war service bonus or the special bonus.
- (h) The Unemployment Insurance Act was made applicable to merchant seamen to whom a war service bonus or a special bonus was payable.

- (i) Merchant seamen eligible for a war service bonus or a special bonus could receive vocational training if application was made before 1 January 1951 and training had commenced within 6 months after the approval of the application.
- (j) Any seamen eligible for the war service bonus or the special bonus was also eligible for railway fare from port of final discharge in Canada to the permanent residence of the seamen in Canada.
- (k) Compensation was paid for loss of effects and wages and payment of special bonus was continued if seaman was a prisoner held by the enemy.

The CHAIRMAN: I thank you.

Mr. JOHNSON: I wonder before you close if I might add to the statement of Colonel Lalonde in regard to (h) on the brief?

The CHAIRMAN: Yes.

Mr. JOHNSON: The Unemployment Insurance Act was made applicable to merchant seamen. I might add that it was made applicable to June 30, 1941. And for those services combined contributions were in the same way as they are for all veterans. If a seaman, at the end of the war, could show he had a certain number of days for which he received a war service bonus or the special bonus, that number of days was counted and he was allowed combined contributions for that the same as the veterans get, without the payment of anything on his own part. This really supplements what Colonel Lalonde said.

Mr. LALONDE: In case some of the members feel like doing some research in regard to this brief, I think you will find that some of the orders in council which I have mentioned in the memorandum have since been superseded either by an act or another order in council. But we only cited the first orders in council to show you when the principles first came into effect. So in some cases these are not effective any more; but it showed the date when the government approved that particular principle or benefit.

Mr. MONTGOMERY: But the benefits of most of them are still in effect, are they not?

Mr. LALONDE: All the benefits I have mentioned have been or are in effect. For instance, the unemployment insurance, I imagine, is not effective now; the vocational training is probably non-effective at this stage but they are still in the regulations.

The CHAIRMAN: Before we get into a general discussion I presume it is your wish to have the brief printed as an appendix.

Mr. HERRIDGE: Is that necessary when it is being read?

The CHAIRMAN: Yes, that is right; it will be in the record. The session is now open for general questioning.

Mr. SPEAKMAN: Mr. Chairman, I would like to mention two points, if I may. Firstly, Mr. Heide's brief asks that the civil service preference be extended to merchant seamen. I think personally this is a very reasonable request due to the fact that it is now many years after the end of the war. There are many people applying for and being accepted into the civil service who are no longer veterans. In the main, our veterans are now pretty well established, so that the civil service preference could be extended and it would not do any harm or exclude any veterans.

I would like to hear a comment from the deputy minister on that matter.

Mr. LALONDE: Well I cannot give you any opinion on the merits.

Mr. SPEAKMAN: I would just like to have a comment from you.

Mr. LALONDE: Could I point out to you, first of all, that the civil service preference only applies on initial entry into the civil service. After that it does not apply any more. It applies on this basis: those who receive a pension, and then those who have overseas service.

If you were to apply the civil service preference to merchant seamen would it be possible to apply it on this basis in view of the fact, as I have related, there was a period of two years when it would be very difficult to determine whether a merchant seaman did serve in dangerous waters or not, which would be the equivalent of overseas service. I also doubt that it would be desirable to grant civil service preference to merchant seamen who, let us say, served at the beginning of the war under conditions where there would be very little record, and not grant it to, let us say, an air force instructor who remained in Canada during the war. You might in the application of this benefit give to a merchant seaman preference over the air force instructor in cases where it would be very difficult to establish what kind of service a merchant seaman did have.

The fact that the merchant navy does not have clear-cut early records, such as the armed forces have, creates a very great difficulty, in my opinion.

Mr. SPEAKMAN: I agree with your opinion, Mr. Lalonde, but at the same time remember that now there are many people going into the employ of the civil service to whom the conditions of veterans preference do not apply, for the simple reason that there are not the applications coming from veterans as there have been. They have come in decreasing numbers over the past ten years.

Mr. LALONDE: That is correct.

Mr. SPEAKMAN: So I think, therefore, this committee could consider, and I think perhaps this government could consider, extending the provision of veterans preference to those people, because we know they did serve, and we know a merchant seaman at sea during the war was in danger. As to how you classify "dangerous waters", I am unaware. They performed a magnificent service in maintaining our armed forces away from home and certainly in maintaining our war effort and in supplying Canada itself with the necessities of war where required. So I do not think we should be too sticky about records. They served in the merchant marine, and if we can establish that I think perhaps where, as I say, we are not excluding actual members of the armed forces by giving it to members of the merchant navy—I think we could go that far. I can see no harm in that.

Mr. LALONDE: Are you suggesting, Mr. Speakman, that, for those who served only in Canada, a veterans preference would have to be extended to give them preference over merchant seamen.

Mr. SPEAKMAN: How do you mean, "those who served"—armed forces personnel?

Mr. LALONDE: Yes.

Mr. SPEAKMAN: They have a veterans preference, have they not?

Mr. LALONDE: Not if they served in Canada only.

Mr. SPEAKMAN: All other things being equal, I would suggest that. I feel that, as I say, these people did render a real service to their country in time of war. I would like to go a little further.

Mr. HERRIDGE: May I interject at this point, so that there will not be any misunderstanding on the part of anyone reading the record. The deputy minister did not express an opinion. He gave an illustration of two aspects of the situation.

Mr. LALONDE: Yes. I pointed to two difficulties. I feel it is up to this committee to decide whether or not those are serious difficulties.

Mr. CARTER: Mr. Chairman, could we discuss the principle first and not worry about the details of the administration.

Mr. SPEAKMAN: That is what I am trying to establish, the principle.

The CHAIRMAN: Do you not think that the details are important in establishing the principle?

Mr. CARTER: No. The details only say that because you cannot give to one you should not give to the other. I say we should give it to those who can establish a claim if we agree on the principle.

Mr. ROGERS: Is it a very serious matter right now? How long has the war been over.

An hon. MEMBER: Thirteen years.

Mr. ROGERS: I do not think it is too serious.

Mr. BIGG: Why not just say, having given the veterans their preference, that the preference should be given to the merchant seamen; just give them the next grade. I do not think you would ever thresh out the question of whether a man who served on the Great Lakes is entitled to more preference than certain grades of soldiers or airmen. Why not say that they should be given the preference in another category?

Mr. McINTOSH: I would like to know if the merchant seamen's wages were comparable to the wages of the armed services personnel?

Mr. JOHNSON: Mr. Chairman, there are so many variations in the scales of pay.

Mr. McINTOSH: I would like just a broad statement. Do they get, for instance, more than \$1.10 a day?

Mr. JOHNSON: It is rather difficult to tie it in because the army and navy have so many allowances which a merchant seaman did not get. I have a statement which will give you some idea. In 1940 the pay of an able seaman in the navy was \$55.50 a month, plus allowances; in 1940 the merchant seaman received \$52.50, plus a war risk bonus of \$13.12, which gave him a total of \$65.62 per month. I might say that this war risk bonus was a bonus paid by the ship owner to the seamen in addition to their wages for service in dangerous waters, and dangerous waters were waters designated by the navy as submarine infested waters; so that the merchant seamen received basic pay, which was the rate determined by collective bargaining and approved by the war labour board, and then the ship owner paid him a war risk bonus which, in 1940, was \$13.12.

Then we go on to 1946: the able seaman in the navy received \$61 a month plus a subsistence allowance of \$45 a month. The merchant seaman in the meantime had this pay raised, in 1944, to \$89.93 basic, plus \$44.50 war risk bonus, which gave him a total of \$134.43 per month. I might say that that is clear money because, in addition to that a merchant seaman receives full board and lodging on board ship and if he reverted from the ship to a manning pool he received the same conditions at the manning pool and was given his keep.

I mentioned earlier that the navy in 1946 received \$61 a month. In 1946 the merchant seaman received \$170 a month. At that time the war risk bonus had been incorporated into the basic structure; so that he received \$170 a month.

Those are the comparative rates. However, the army rates are so complicated, with the different groups and the various allowances for those who have children, and the other allowances, that it is hard to make a comparison.

Mr. CARTER: On that one point, I think I can say that we do not want to get into too much detail. But, could you not give us the scale or the rates that the naval man would get for his children and his wife if were married

Then we could work it out for ourselves. Most of the merchant seamen were married men with children also. In respect of the person who served in the navy while you gave us his basic pay, you did not give us his total income which would vary. Let us have what he would get for his wife, if married, and also the amount for each child.

Mr. JOHNSON: At the moment I am not sure that information is available. We would have to dig it out from the naval records. We could obtain it for you.

The CHAIRMAN: This information is not available at the moment.

Mr. SPEAKMAN: I might be able to throw some light on this. My wife received, as her pay if you like without any allotment from me, for herself and four children \$89 a month in 1940.

Mr. LALONDE: The dependent's allowance paid in the army in 1940 was \$35 a month.

Mr. SPEAKMAN: For the wife?

Mr. LALONDE: Yes.

Mr. SPEAKMAN: But I had four children.

Mr. LALONDE: It was \$12 a month for the first and the second child.

Mr. SPEAKMAN: It came to \$89. I think that probably the rate in respect of naval personnel would be comparable.

Mr. JOHNSON: I would imagine it would be comparable.

The CHAIRMAN: On this point have we any further comments?

Mr. McINTOSH: I wanted to see whether or not the wages were close together. My second point is: are there two different classifications of merchant seamen? I refer to the first paragraph in this memorandum where it says: "However the majority of merchant seamen served on ships sailing under other flags..." Then down at the sixth paragraph you say: "...agreed in writing to go to sea on any ship of their own nationality or on any ship to which they might be assigned..." What percentage of the Canadian merchant seamen came in that category; or would it be easier to say what percentage of the merchant seamen did not serve in ships which were Canadian ships.

Mr. LALONDE: Are you speaking of before or after the manning pool?

Mr. McINTOSH: After the manning pool. Were there a certain percentage who did not go to the manning pool, or did the majority go.

Mr. JOHNSON: It might help the committee a little if I say that at the beginning of the war there were approximately 39 ships in the Canadian ocean-going fleet. There were a considerable number of seamen in the country and in order to get a livelihood a lot of the seamen had to serve in foreign ships, particularly American and others. There is no record in the department as to how many seamen actually served on foreign ships and how many on Canadian ships.

When the manning pools were established in 1941 then we tried to bring all merchant seamen into the manning pools. As a matter of fact, the arrangement was such that unless they went to sea they were liable for military service. A lot of them who were seamen or had a seafaring background went into the manning pools. We tried to control them, and to assist them to remain in Canada, by the labour exit permits. But there is still no record as to how many Canadian seamen left for the very high wages which prevailed in the United States ships. The United States rates were very, very high and that attracted a considerable number of merchant seamen to serve in United States ships. It is these merchant seamen who caused a lot of trouble, since after they returned to Canada after the war they seemed to feel they were entitled to the benefits which the merchant seaman received who had been through the manning pool.

Mr. McINTOSH: Does your brief cover these men who served at the high wages?

Mr. JOHNSON: I did not quite get that.

Mr. McINTOSH: Does your brief cover all Canadian merchant seamen?

Mr. JOHNSON: Yes.

Mr. McINTOSH: Including those who served for the high wages on United States ships.

Mr. JOHNSON: Are you referring to the wage scale?

Mr. McINTOSH: I am speaking generally.

Mr. JOHNSON: No. The benefits only concern the seamen who actually were appointed to ships through the medium of the manning pool and who signed agreements.

Mr. McINTOSH: You have records of those?

Mr. JOHNSON: Yes.

The benefits only concern the seamen who actually were appointed to ships through the medium of the manning pool, and who signed an agreement.

Mr. SPEAKMAN: These people did not sign the manning pool agreement who went on American ships. Is that correct? Therefore, we are not discussing them at all. We are discussing only the people who signed these manning pool agreements.

Mr. JOHNSON: Excepting that I think certain merchant seamen on allied ships were eligible for the pensions. We would have records of it in that case.

Mr. SPEAKMAN: Do we have records of those people, as we do of the people from the manning pool?

Mr. LALONDE: The chairman of the pension commission will explain that some of these people were actually covered.

Mr. MELVILLE: The provisions for merchant seamen and salt water fishermen are contained in the Civilian War Pensions and Allowances Act of 1946. That act embodied the original order in council of 1939 with subsequent amendments.

In that statute provision is made for pensions for disability or death for two groups: one, persons who while serving upon any Canadian ship suffered disability or death; and two, Canadian nationals who served upon any certified non-Canadian ship and who suffered disability or death.

Perhaps I might place some figures on the record which may be helpful to members of your committee.

The CHAIRMAN: That would be quite in order, Mr. Melville.

Mr. MELVILLE: Pensions are awarded under the Civilian War Pensions Allowance Act for disability and death when such arose out of any action or counteraction against the enemy.

Counteraction against the enemy was broadened to include extraordinary marine hazards occasioned by war.

An explanation of that might mention blackouts, ships running in blackouts, if there were extraordinary hazards, where a man may fall down a hatchway, something which he would not have done if the ship had been running under normal conditions; or an extraordinary marine hazard such as running in darkness, or when the ventilation was not good, in which case a man might contract tuberculosis from another on account of inadequate ventilation and closer contact.

The actual number of awards in payment as of June 30, 1958 for disability—these are Canadian—show 61 awards with an annual liability of \$45,458; with 330 dependent awards, with an annual liability of \$300,274; making a total of 391 with an annual liability of \$345,732.

For Newfoundland the figures are quoted separately because Newfoundland came into union with Canada on April 1, 1949.

There are 25 awards for disability with an annual liability of \$15,011; with 86 dependent awards, with an annual liability of \$81,550, making a total of 111, with an annual liability of \$96,561.

So we have, all told, 86 disability awards, and 416 dependent awards, with a total annual liability of \$442,293.

The CHAIRMAN: Thank you, Brig. Melville.

Mr. LOCKYER: I would like to make an observation: when it was mentioned that the American wages were very high, I was going to say that conversely ours were very low.

Another thing I have in mind has been partly answered by Brig. Melville. Does that give us the broad base of the beneficiaries of merchant seamen through the series of additions to benefits that we have here?

Mr. HERRIDGE: Just those that are on pension.

Mr. MELVILLE: That is right, just those who are on pension.

Mr. LOCKYER: Have we any figures to show the total beneficiaries under the series of orders in council and under the discretionary powers of the minister? How many have benefited under these acts?

Mr. JOHNSON: We could get the figures. I do not think we have them broken down specifically in our department, but we could get them from the records.

The CHAIRMAN: There are representatives of various branches of the Department of Veterans Affairs here today. I think we might hear some of these officials; for example, we have Mr. Black of the insurance branch.

Mr. LOCKYER: Would you happen to know how widespread the benefits have been to these men who have served and who have already been "okayed?"

The CHAIRMAN: That would be useful information, I think.

Mr. LALONDE: Yes, but it is not easy to find.

Mr. JOHNSON: I could obtain that information for you.

Mr. LOCKYER: I have every sympathy with these men but it is just awfully hard to come to a conclusion without knowing what we have already done, and how far we have gone.

The CHAIRMAN: The summary which was read would show that.

Mr. HERRIDGE: I assume that some cases would take a lot of digging up in order to get the figures.

The CHAIRMAN: It would mean a major research project.

Mr. HERRIDGE: Are we not more concerned to know about the principle mentioned by Mr. Speakman rather than whether we should extend further benefits to merchant seamen of a certain class? What we have received is all the good, but I do not think it would assist us very much in making a decision, just to know that there were 24 in one group or 28 in another group and so on.

Mr. ORMISTON: We have been discussing points of difference between rates of pay. I assume there were quite a few Canadians who served in the British merchant marine who were probably getting lower rates of pay than those who served in the Canadian merchant marine.

Mr. JOHNSON: Canadian seamen who served in the British merchant marine under the Essential Work Order were entitled to the same benefits as Canadian seamen. They were paid exactly the same benefits.

If they could prove that they were discharged from the United Kingdom manning pool under the essential work order, we would give them full benefits in Canada provided they were domiciled in Canada as of September 30, 1939, their rates of pay were less, but otherwise they were eligible for benefits from the United Kingdom which in some cases were a little better than ours, so I do not think they lost out.

Mr. CLANCY: According to this brief, 10 per cent of the service pensions was paid to people who signed up from the manning pools, and there was a substantial bonus of 10 per cent paid on top of that?

Mr. LALONDE: No; it just covers the previous period.

Mr. JOHNSON: The seamen who after April 1, 1944 joined the manning pool were invited to sign a two-year agreement.

There were two agreements. He could sign an agreement which would still give him coverage for his employment as a seaman, or he could obligate himself by signing a two-year agreement which required him to serve for two years or for the duration of the war, whichever was the lesser period.

The seaman who signed the two-year agreement after April 1, 1944, could claim the retroactive bonus for the period of his service or from the beginning of the war up to April, if he signed this two-year agreement—he was entitled to it; in other words, in 1944 he could sign an agreement which gave him the benefit or the privilege of getting the bonus from the beginning of the war right up to the end of the war, or from the period when he had begun to serve.

The CHAIRMAN: Mr. Lockyer had a question about benefits being extended. Then we branched out into other matters. How far can we go in giving that information?

Mr. JOHNSON: The only comparable table I have is contained in the second report of the Canadian Maritime Commission for June, 1949, which shows a comparison of the estimated daily operating costs for 10,000 ton ships.

In that table the wages paid in the United States were \$392.66. At that time in Canada, it was \$308.30.

Unfortunately it does not say what rank this applied to. Oh, I have it broken down here.

Taking an able seaman in the United States, it is \$226 as against \$170 in Canada. So the American rate was higher.

The other countries were lower. Canada was the second highest.

The CHAIRMAN: Another question was asked by Mr. Ormiston.

Mr. JOHNSON: In addition to this basic pay paid by the United States, there were considerable bonuses paid which were called area bonuses. There was a bonus given for a ship in certain dangerous areas. There was a bonus paid if they were bombed, or if there was a suspicion of being bombed. There were different bonuses; some of them were very high, particularly during the Korean war.

The CHAIRMAN: Coming back to the other part of your question, Mr. Lockyer, how far do you want to proceed with the information on benefits extended under this other measure?

Mr. LALONDE: Brig. Melville has given you the number of awards of pension. That accounts for "A". But we could not give you, or attempt to give you the number of treatment days involved, because a merchant seaman suffering from a pensionable disability might have come into hospital ten to fifteen times since 1941.

The number of pensioners under the Veterans' Land Act is available. I do not know exactly how many merchant seamen who are pensioners have been established under the Veterans' Land Act. But I remember reading a report about it. I would have to trust to my memory when I say it was under 100 who were established under that act.

Mr. SPEAKMAN: I knew of none in my service with the R.C.A.F. in Alberta.

Mr. LALONDE: With respect to reinstatement to civilian employment, we have nothing precisely for you because it was arranged directly with their former employers.

As to treatment for non-pensionable disability, the same thing applies. They came into hospital and if eligible they were treated. But that has expired now.

As to veterans insurance, I am told that we have issued 76 policies to merchant seamen who come under the act.

Mr. LOCKYER: Would not those figures be extremely low?

Mr. LALONDE: Compared to the number who received special war service bonus, yes. I would say that it indicates a lack of interest because there would have been, in my estimation, at least 15,000 who received the war service bonus, yet only 76 took out insurance.

Mr. CARTER: I think that probably lack of interest was not the real explanation. I think it was lack of information, and that the merchant navy veterans did not know much about it.

Mr. LALONDE: That is possible.

As to vocational training, we approved 696 applications, but only 521 reported for training and were trained. 175 never reported to us. As to the payment of railway fares, I have no record of that.

As to compensation for loss of effects and wages, I do not know how much was paid, or to how many seamen.

Mr. JOHNSON: I could get that for you.

Mr. LOCKYER: How far did we go with respect to educational benefits?

Mr. LALONDE: It was for vocational training only. This was the new order in council which I cited in my memorandum. It was administered by the Department of Veterans Affairs on behalf of the Department of Transport.

Mr. LOCKYER: What I am trying to establish is how well have merchant seamen taken advantage of what we have already offered them?

Mr. LALONDE: The figures I have given to you would indicate it, and give you an idea. But what the reason would be, is something else again.

Mr. SPEAKMAN: Might I go further and ask what would be the principle now?

The CHAIRMAN: You want to get back to the veteran's preference?

Mr. SPEAKMAN: Yes, and to the matter of principle.

The CHAIRMAN: What principle is it that you are actually trying to establish?

Mr. SPEAKMAN: I raised the question of veteran's preference with respect to employment in the civil service. Now I want to go further and raise the question of benefits under the Veterans Land Act.

The CHAIRMAN: You are trying to establish the principle of equating merchant seamen with those who have veterans service? You are trying to establish the principle of equating the merchant marine services with the veterans services?

Mr. SPEAKMAN: No. I am trying to extend this principle to the merchant marine.

The CHAIRMAN: I mean: equating or making the merchant marine service equivalent with, or equal to the veterans service. Is that not your principle?

Mr. SPEAKMAN: In a way.

The CHAIRMAN: Now, Mr. Bigg has a general question.

Mr. BIGG: I would like to know first of all just who these people are we are trying to help, and just how far the categories are going to be extended.

Will it just be to those people who served from 1939 to 1945 or to the merchant seamen in general, or what?

Personally I am very much against saying that anybody is a veteran who is not a veteran.

If it is a question of helping the category of merchant seamen, then there should be definite legislation to help them as merchant seamen, but not as veterans.

They are not veterans and they never will be. I think it is dangerous to allow the camel to put his head into the tent.

There are other people who might want it as well, such as fire fighters, nurses, aircraft workers, and certain people in foreign countries.

I am sympathetic towards merchant seamen but I wonder if they are veterans or whether they should be considered as such.

Mr. BROOME: I think this has a bearing on one of the arguments used against merchant seamen. There was stipulated a high rate of pay. The total paid to the seaman would classify him as a relatively highly skilled man.

I was wondering how the rate of pay as listed in the Maritime Commission report would compare, let us say, with the wages, including pay and allowances, of a sergeant in the army and also including the pay and allowances of the merchant seaman? In other words, did the sergeant get a very much higher rate of pay? How about it, if you include the allowances that the sergeant would get?

Mr. MACDONALD (Kings): I do not think it is fair to compare the pay of an army sergeant with that of a merchant seaman.

The CHAIRMAN: I remind the committee that we are gathered this morning essentially to receive information on the problem, not necessarily to establish a policy on it.

I think we are all giving our theories as to what the policy should be, but I feel we should confine our questions at this time towards eliciting information from the officials who are here before us. I think that was the essential purpose of calling this meeting.

We lacked certain information and the officials offered to give us assistance and to provide that information. So if we might pursue that line of discussion, I think it would be more helpful.

The witnesses are here to be cross-examined.

Mr. WINKLER: My point concerns the last paragraph on page three of the statement where it says "—the committee recommended that the government give sympathetic consideration to the request of the Canadian Merchant Navy Veterans Association—" Do they still stand as they are compiled here?

The CHAIRMAN: Did you not receive a copy of the brief?

Mr. WRINKLER: Yes.

The CHAIRMAN: It outlined them. Mr. Heide mentioned certain requests in the brief.

Mr. WINKLER: Very well, thank you.

Mr. MACDONALD (Kings): Speaking of the broad, special, general principle of the recognition of navy personnel in the same category as veterans, which I believe is asked for throughout the brief—with all due respect to those who are advocating such a policy, I think it is not something which we should be asking for.

I do not think that the matter of a comparison of rates of pay between the merchant seaman and that of a service man is of very great importance.

I think it is generally admitted that a merchant seaman receives perhaps a little more. But the essential point is this: that he did not enlist for the same type of service.

I do not think that the people of Canada, in general, feel that service personnel should be put in the same category as merchant navy personnel, or that merchant navy personnel should be put in the same category as service personnel.

I know, in a general way, from broad experience with veterans in both the provincial as well as the national field, that there has been a considerable resistance to this policy, and this past government and no other government has ever agreed to that principle. I think if we stop to consider the fact of recruiting, in case we had another war—if people knew they could go into the merchant navy or other such groups which are not essentially made up of service personnel, then I think it would be detrimental.

The CHAIRMAN: Now I think, gentlemen, we should get back to asking questions in order to obtain information which would be more helpful. As you have indicated, Mr. Macdonald, the tenor of the memorandum from the department has indicated that previous committees have resisted establishing this principle, because of the obvious complicating factors. We are gathered together this morning to acquaint ourselves with the background and nature of the problem. On the basis of that information we can decide at some future date whether any changes in the established principle should be made.

Mr. CLANCY: That is the point I wanted to ask about—records of merchant seamen. Is it right to assume that the only accurate records are those that were set up after the manning pools were formed?

Mr. JOHNSON: Oh no. We have records of merchant seamen, not only seamen who passed through a manning pool, but all who served. We have those records of seamen in the central registry from 1937 in the form of a card index. Prior to 1937 the records were mostly maintained with individual shipping masters across Canada. They are still available.

Mr. CLANCY: Therefore, if any man served at sea, he could prove his service at sea by going to the central registry.

Mr. JOHNSON: Yes.

Mr. MELVILLE: I would like to say when the commission receives a claim to make application to the Department of Transport for the record and we receive a complete record showing that seaman and his service on any number of ships and the term of his voyage. These records are kept in excellent shape.

Mr. CLANCY: There is actually a record where you can say that man definitely served so many trips?

Mr. JOHNSON: There is a complete record of his service. However, it would be difficult for us in every case to say where he served. The records are taken from the articles of agreement that are signed between the master and the crew when the seaman joins his ship, and the terms of the voyage or the description of the voyage are usually given in very broad terms. However, the ship may go into many other ports other than those contained in the record. It is not always possible for us to say where he served, excepting that he did serve.

I am referring, of course, only to Canadian ships. If we want records in regard to a Canadian seaman who served on a United Kingdom ship, then we have to apply to the Registrar General of Shipping in Cardiff, Wales. And if a seaman served on other than a British ship, I am afraid we have no record.

It is impossible for us to obtain a record if he has been on foreign ships such as Norwegian, Panamanian and Greek ships; we do not have that record, and particularly in the case of Panamanian ships we have been unable to obtain it at any time. In many cases ships have been lost at sea; and, as many factors enter into it, we have not been able to get records in those particular cases. But as far as Canadian seamen are concerned, where they are on Canadian or British ships, we can obtain that record. We have a complete record.

Mr. CARTER: Mr. Chairman, you allowed two comments on principle regarding merchant navy and veterans. Did you rule further comments out of order? I ask this question because I would like to reply to the two comments already made.

The CHAIRMAN: I did not rule it out of order, but I reminded the committee that our purpose is to gather information on the problem and not to make statements, because they would be premature statements. Obviously, we do not have the background of information to make any statements at this stage, and, in any case, statements of that kind are usually made in camera when we are discussing broad principles.

Mr. FANE: Mr. Chairman, I would like to establish whether these benefits that are requested now are for the seamen who served in the last war or does it refer to those who may be serving during the next war? It is thirteen years since the war ended. How many of them are going to come in under benefits like this? How many of them want to go farming and come in under the benefits of the Veterans Land Act. Is there any vocational training in effect now? I am sure there is nothing against their receiving preference in joining the civil service after the fighting men of the last war. How could there be any difficulty about that? These are the points which I would like to establish. Is it for the last time or the next time? Is it in order to get in on the ground floor for the next time?

The CHAIRMAN: We hope there is not going to be a next time.

Mr. FANE: I do not think we should operate on that basis. It is true that some of these benefits have expired for servicemen generally and that leads to the principle that these benefits should have been established long ago.

The CHAIRMAN: Yes.

Mr. JOHNSON: I was going to say that all these benefits were made or most of them were granted under the War Measures Act which, of course, has expired. There is another thing which would be most difficult—in fact, I think it would be impossible—for any official in the Department of Transport to authenticate service for all merchant seamen at this late date. I do not think we could produce the records which would be necessary to make the benefits retroactive.

Mr. LOCKYER: May I remind Mr. Fane that in thinking about the next war we probably will be talking about space ships.

The CHAIRMAN: We will keep our feet on the ground at the moment.

Mr. LALONDE: I wonder if I have left the wrong impression with the members of the committee. I say this because of the fact that since our department prepared the memorandum which is now before you, you may have drawn the inference that our department put forward all the submissions in the orders in council which are recited in the memorandum. We did not. They were submitted to cabinet by the Minister of Transport and not by the Minister of Veterans Affairs. I wish to make that point clear.

Mr. BIGG: I think this matter is in the wrong committee; that is my point. I do not know how this ever got into a veterans committee. The fact the word

"veteran" is used in the brief does not necessarily mean it is a veterans affairs matter. I do not think they ever will be veterans and I for one do not agree they ever will be veterans.

Mr. CARTER: As questions in respect of this matter have been asked so many times, I think it is time somebody dealt with it, because I would like to say a word on it. It has been said it should not be in this committee at all.

Mr. BIGG: That is my own personal opinion.

Mr. CARTER: Mr. Chairman, are you going to allow me to proceed?

The CHAIRMAN: All right, Mr. Carter, let us hear your comment.

Mr. CARTER: I do not think we are wandering astray because we have allowed certain benefits to certain people who gave certain service during the war. We have given pensions and war veterans allowances, insurance benefits and land benefits—all sorts of benefits; now, we did not give those benefits to the people in the navy, army or air force because they put on a uniform, and we did not regard them as veterans because they had a uniform on.

Mr. BIGG: Well, I do.

Mr. CARTER: I do not. I think that is the fundamental difference we should clear up. The fact he sticks on a uniform does not make him a veteran.

Mr. BIGG: It certainly does; it does not leave him a civilian.

The CHAIRMAN: This is not the first committee that has sat on this problem. If you go back to the records, this point has been argued pro and con, and the decision of a previous committee was that they were not veterans. Gentlemen, let me repeat that we are meeting this morning to provide background information for the new members of the committee who had no previous knowledge of the problem. I do not think we have enough information to make any direct decision or statement on this matter at the present time.

Mr. McINTOSH: Is it our privilege to determine whether they are veterans or not? We can say they can be treated similar to veterans, but I do not know whether it is our privilege to say they are veterans.

Mr. MELVILLE: The point, gentlemen, is this. Throughout the war, certain orders in council were passed to provide for certain groups whose work was closely allied with the war effort. In 1946 an act was passed—and note very clearly it says the Civilian War Pensions and Allowances Act. It was a separate statute altogether to provide for (1) merchant seamen and saltwater fishermen, (2) the auxiliary services personnel who left Canada and served with the units overseas. These were not members of the forces but they were specially provided for as civilians allied to work with the members of the forces.

Mr. CARTER: Were they in uniform?

Mr. MELVILLE: They had a special uniform.

Mr. CARTER: But they were not veterans.

Mr. MELVILLE: They were provided for as civilians. It is the Civilian War Pensions and Allowances Act which provides for them. Then you have the corps of civilian fire fighters for service in the United Kingdom—that is under 3), and other personnel who are enlisted by the Royal Canadian Mounted Police as special constables and guards and so on. There are ten classifications provided for in the civilian act, all of whom were working on special jobs, as I say, very closely allied with the work of the three services during the war. However, they were clearly designated as civilians.

The CHAIRMAN: Thank you, Mr. Melville; your statement has been very helpful to the members of the committee.

Mr. JOHNSON: May I add to that, Mr. Chairman. In the list of benefits granted to merchant seamen as a result of the agreement they signed, my notes

might be helpful to the committee. It says that merchant seamen are considered to be following their normal vocational pursuit in voluntary civilian employment at industrial rates of wages and therefore were not included in the Veterans Land Act, the War Service Grants Act or the Veterans Business and Professional Loans Act. Provision is, however, made for pensioners who are unable to continue service at sea, and that was the ruling at that time.

Mr. HERRIDGE: Mr. Chairman, I have listened to these statements with great interest. I think I am the only member of the committee who has sat on this committee since 1945 and I know the conflict in regard to this question and the hours that have been used to discuss it. I want to say in reply, it is quite probably this committee has considered giving certain benefits under the Veterans Charter to certain groups. I would like to ask Mr. Melville a question. I am concerned with the possibility of there being some men who are not pensioned because of a disability, through, say, the restrictive nature of the legislation. Would Mr. Melville advise the committee as to the number of applications there were under this act from seamen for pensions for themselves or for dependents, and the numbers that were accepted?

Mr. MELVILLE: I wish I had thought of that last night, because I would have had this information here for you today. I have not the information, but there is a restriction in the act that relates to merchant seamen. That is why application had to be made within a year of their discharge from the merchant seamen service. That also applied to claims from dependents. The commission was responsible for recommending an amendment to the Pension Act, whereby in the case of dependents, that time limitation was removed, because we realized at the time of death of that merchant seaman the dependent may not have been in a dependent condition; such may have arisen subsequently. In the case of disability the commission said this: if a merchant seaman serving on a ship as specified in the statute did incur a disability as a result of enemy action or counter-action against the enemy and was treated for that, as he may have been, and there is a record of that and he has not applied until, let us say, last year or this year, we will consider him the same as we do members of the forces. His claim has lain there, it has been dormant over the whole period; we will concede his right to claim. We consider that is a very fair interpretation of the statute and the intent of parliament.

Mr. HERRIDGE: Thank you very much, Mr. Melville. That is one point I was concerned about.

The CHAIRMAN: I think we are back on the beam again, asking pointed questions. Are there any more questions of that kind?

Mr. CLANCY: Yes, Mr. Chairman, I might have missed it, but just what are they asking for? Are the merchant seamen at the moment asking specifically for some extra extension?

The CHAIRMAN: They appeared before the committee last week with a brief.

Mr. CLANCY: I am sorry, I did not read it.

The CHAIRMAN: I think we can supply you with a copy of the proceedings.

Mr. SPEAKMAN: Actually, we are not discussing whether or not they are veterans, because they are not asking to be called veterans. They are asking for some extension under the veterans' charter.

The CHAIRMAN: We should be asking questions and obtaining information.

Mr. FORGIE: On page 3, the last paragraph says:

This recommendation was never implemented.

I do not know the effect of this heading, but they make an application for the Veterans Land Act to extend to all seamen. Then, under paragraph (c) on page 4, it says:

If pensioner, the benefits of the Veterans' Land Act are available.

What was the reason it was not made exclusive, why seamen who were not pensionable were not able to make an application under Veterans' Land Act.

Mr. LALONDE: Well, Mr. Forgie, the basis of entitlement to benefits for merchant seamen similar to those granted veterans is that they have received some disability due to enemy action. Therefore, disability due to enemy action is determined by a decision of the Pension Commission saying that the seaman either did suffer disability or he did not; and when it is established that he has suffered through enemy action or counter-action, as Brigadier Melville has explained, the man should be held on the same basis as a veteran pensioner. That is why you see the merchant seaman in receipt of a pension eligible under the Veterans' Land Act, whereas the merchant seamen who did not suffer through enemy action did not get the eligibility. The same thing applies to treatment.

Mr. FORGIE: Under the fifth paragraph, housing and Veterans' Land Act, they are asking now that all merchant seamen be entitled?

Mr. LALONDE: That is right.

Mr. MCINTOSH: I would like to ask Brigadier Melville a question. Brigadier Melville, in the second paragraph of Mr. Heide's letter, he suggested there were a lot of Canadian seamen who, because of their service on ships in wartime waters did not have opportunity to register, and only touched port very seldom. Has he had any case that came up with those men who could prove that point?

Mr. MELVILLE: The records are obtained from the ships' logs, and the records of the department. When we make an enquiry of the Department of Transport, we submit to them the claim the seaman has made and they go back to the records to establish whether or not it is a valid claim. The record is there.

Mr. LALONDE: Perhaps Captain Johnson could best answer your question.

Mr. JOHNSON: We had manning pools established at Sydney, Halifax, St. John, New Brunswick, Montreal, Vancouver, and there was an extension manning pool over on Vancouver Island. We were very closely, through these manning pools, in touch with not only wartime shipping itself, but also the crown agency, the Park Steamship Company, who were agents for all the ships owned in Canada at that particular time. The records of all the seamen who sailed on Park Steamships, passed through the manning pools. We had all these reports. If the ship was lost we had a number of secret and confidential files with information. We knew exactly what was going on, and do not think it is right to say that any Canadian seaman who entered a manning pool had no opportunity to register. The only seamen who had no opportunity to register were the seamen who served on other than Canadian ships. It is only that group of seamen that Mr. Heide is interested in or who could back him up at the present time.

Mr. HERRIDGE: Mr. Chairman, could the Deputy Minister tell us if he knows what happened from the government angle with respect to the recommendation of the committee in 1954, that sympathetic consideration should be given to the Canadian Merchant Navy Veterans Association and also to those who served in World War II in dangerous waters, and that they receive the benefit of the Veterans' Land Act? I remember the committee was unanimous.

Mr. LALONDE: I can tell Mr. Herridge that I am aware that the matter was studied at the time in the department by the Minister of Veterans Affairs, and the conclusion was reached that to allow these merchant seamen to come in under Veterans' Land Act without the pension restriction would establish very definitely the principle that merchant seamen could get a veteran's benefit as such; and I think the reaction was (now, this is my own opinion), I think the reaction was that it would open the door to very far-reaching changes in principle which, for instance, would probably have had to be accepted in the War Veterans Allowance Act as well as in the Veterans' Land Act; and I think at that time it was felt that this was going too far. That is why the recommendation of the committee was not implemented.

Mr. HERRIDGE: The influences that flowed from such action had to be considered?

Mr. LALONDE: That is right, sir. It was not so much the recommendation itself as the future implications which it carried.

Mr. LOCKYER: Mr. Chairman, getting back to my question, it was my thought that if we could establish the number of casualties that happened in the merchant marine and the number of pensions which were recognized by the department we could then establish how big a proportion of these men were affected. We could also establish the fact that the period of service in the merchant marine could be decided.

The first two years of the war were very dangerous and the last two years of the war were comparatively safe on the seas. I said, "comparatively safe", not "safe". By arriving at these figures we would have an understanding of how many of these men came back with their health impaired, how many casualties there were and how big a number we are dealing with.

Mr. LALONDE: There is no way, Mr. Lockyer, of establishing how many casualties there were among merchant seamen except through the medium of the Canadian pension commission, where all those who claim to have had disabilities resulting from their service in dangerous waters, or through enemy action, have an opportunity to apply to the pension commission to get a pension for that disability.

Therefore, we have to assume that all those who suffered disabilities caused by this service would have applied to the pension commission and, therefore, once the pension commission has established the number of pensions granted for all practical purposes that becomes the number of casualties resulting from enemy action. We have no other record of casualties amongst merchant seamen.

Mr. LOCKYER: This seems to be extremely small according to the figures.

Mr. JOHNSON: That is the only record we have.

Mr. CARTER: You have 61 on the mainland and 25 in Newfoundland, only 86.

Mr. LOCKYER: It seems so very, very small.

Mr. MONTGOMERY: Well, as a matter of fact, would Mr. Johnson have any idea that the casualties were very heavy in any case?

Mr. JOHNSON: Oh yes, the casualties were very heavy. Between Britain and Canada I think we lost 25 per cent of the ships' complements throughout the war years. I am including Britain, of course, in that.

Mr. BIGG: This is not a list of casualties. The pensioners are not casualties. These people are still alive.

Mr. JOHNSON: That is quite right.

Mr. MACDONALD (Kings): I just wanted to address a question to Brig. Melville for information, Mr. Chairman.

You mentioned the category of extraordinary marine hazards. Have there been many applications under that category and could you just enlarge a little on the necessary evidence which would be required to substantiate such cases?

Mr. MELVILLE: I think the legislation is very wide. The act says, disability or death which resulted from enemy action or counteraction against the enemy which shall include extraordinary marine hazards occasioned by the war.

If I offered an outline it would mean probably limiting the statute. The Act provides for extraordinary marine hazards occasioned by the war and the commission had the privilege of considering under the statute the extraordinary marine hazard. That is why I mentioned instances of what took place, running in the blackout and so on.

Mr. CARTER: We have been given evidence this morning that 321 people got vocational training and 76 applied for insurance. Were any of these Great Lakes seamen? Did any Great Lakes seamen get this 10 per cent bonus?

Mr. JOHNSON: No.

Mr. CARTER: So we have already drawn a distinction between Great Lakes seamen and those that serve on the high seas. Those are the ones I am interested in, not the ones on the Great Lakes. Let us not confuse our thinking if we can separate the two categories because I think that was one of the obstacles.

Mr. JOHNSON: The seamen during the war years, Mr. Chairman, were divided into three categories—coastal seamen, foreign-going seamen, or deep seamen if you wish and the inland water seamen.

The coastal seamen in certain areas were really included in some of the benefits but the inland water seamen never were included.

Mr. CARTER: So when Mr. Heide is asking for benefits he has in mind just the one category?

Mr. JOHNSON: Just the foreign-going seamen, the salt-water seamen.

Mr. CARTER: And those are the only people we should be thinking about here?

Mr. JOHNSON: Yes.

Mr. MACDONALD (*Kings*): But I do not think he makes that distinction.

Mr. CARTER: Yes, that was the cause of our trouble.

Mr. HERRIDGE: It has been made throughout the years. We have been informed of these categories repeatedly.

Mr. MCINTOSH: I am seeking information again in regard to the last paragraph in Mr. Heide's letter. He said:

—this Association is of the opinion this committee might well recommend to enact a statute making the Merchant Marine an auxiliary of the Navy in case of war—

Now, can this committee do that? We do not know the pros and cons of that. If he requests this committee to make that recommendation do you not think we should have some guidance on it or some information? We do not know whether the navy agrees to this or not. Have you any opinion on that?

Mr. JOHNSON: Perhaps I can give a short remark if I may and that is, that we have had tentative meetings with various departments relative to the formation of a mercantile marine in the event of a future war. This appears in departmental documents. It would be subject to governmental policy and that it amounts to, or what value it would have at this time I do not know; is purely a plan or something to go on in event of war, and that is all I can say.

Mr. McINTOSH: So we can consider that request would have to pass through various departments and other organizations.

Mr. FANE: I just wanted to justify what I had to say. I know you took exception to my mentioning "next time".

Well, Captain Johnson has just remarked it, and this brief in the first half of that last paragraph mentions it:

We understand Canada's Merchant Marine is to be revitalized and we ask any new ships constructed be of nature that they can carry sufficient armaments in case of a future war. We ask that seamen be sufficiently trained, as our sailors, soldiers and fliers, before being sent into battle in another war.

That just supports my contention that it is next time that all this talk is about. It is not to be retroactive. How could it be? Could it affect very many of these people now in any way? Could it affect very many of the people who served in the last war?

Mr. LALONDE: The only thing I can say is this, Mr. Fane, that in my experience with the Department of Veterans Affairs—and I know that Mr. Herridge will agree with me, as the senior member of the committee—that once we have given a benefit under the veterans' charter only God can take it away.

Mr. FANE: That is what I am trying to get around, only I have not got the words you have.

Mr. ORMISTON: There seems to be a bit of repetition from Mr. Heide in regard to the Canadian merchant navy veterans' association because in 1948 he did not make any specific request; but he made a blanket request, because he asked for merchant seamen to be given the same benefits as members of the forces. That was a blanket request for the same benefits which are extended to veterans.

The CHAIRMAN: Yes, according to the evidence, that is quite true.

Mr. BIGG: The question of pay was brought up and I must say now, I was overseas 5½ years and I could never be compensated in cash. You give up your freedom when you join the army and you have any thought about money is completely irrelevant. I could not have been paid to stay 5½ years away from my wife in any circumstances.

I did so for reasons quite apart from the exchequer and I even resent hearing it discussed on a monetary basis. That, of course, is emotional but I think when you are discussing whether a person is or is not a veteran, we are in a different category.

The CHAIRMAN: Admittedly the monetary aspect is only one side.

Mr. BIGG: Well, even then we are only trying to compensate for things that cannot be bought, their health, life and future dependence and if there is a need for these merchant seamen to get something, I am away out in front of anything like that to help them get it. However, I suggest we should make sure that we are not discussing it on other terms.

If we are riding a veteran's hobby horse to get them something which is not under the act, I think they should have an act of their own.

Well, again we are supposed to be discussing this thing in a kind of vacuum. Surely we cannot recommend things.

The CHAIRMAN: We are not making any recommendations.

Mr. BIGG: Well, perhaps I am wrong but I am afraid that we are going to go from here and make recommendations which perhaps could be made in another way and I suggest in a better way and I suggest this, that we ask for a war compensation act for merchant seamen. Why call them veterans at all.

The CHAIRMAN: Well, we have the civilian war pensioners act now.

Mr. BIGG: Well, it is not adequate, apparently.

The CHAIRMAN: Oh yes it is, so far as pensions are concerned.

Mr. BIGG: Then, why are we trying to work it in under this act? If it is adequate it is home free.

Mr. CHAIRMAN: Are we going to discuss principles now? We had better move into camera if we are.

Mr. LOCKYER: I would like to go back to my statistics again. The statement was made there were total casualties of 25 per cent. What happened to the families of those 25 per cent? There must have been some families involved.

Mr. JOHNSON: They would received dependents' allowance.

Mr. LOCKYER: All right then, have we got some figures?

Mr. HERRIDGE: Were you not including the British Merchant Navy in those figures?

Mr. JOHNSON: The 25 per cent, that was the over-all total.

Mr. MONTGOMERY: Mr. Chairman, I would like to ask this question because I am maybe under the wrong impression. I think maybe Brigadier Melville can answer it. Is it not true that at the present time there is provision in law for all people who suffered disability or the dependents of those who lost their lives?

Mr. MELVILLE: There is provision in the civilian act and there are at the present time 330 Canadian dependents who are in receipt of pensions and these dependents might be widows, the parent or parents or maybe orphan child or children. They are dependents of men who died and whose death resulted from enemy action or counter-action against the enemy.

In addition to the 330 Canadians, there are 86 Newfoundlanders so we have 416 dependents all told of merchant seamen who lost their lives under the circumstances mentioned.

Mr. LOCKYER: What I am trying to establish is that this seems to be infinitesimally small, the statement that there was 25 per cent.

Mr. JOHNSON: That statement Brigadier Melville has made only covers Canadian pensioners. The 25 per cent figure I gave was 25 per cent of the combined British mercantile fleet which would include the United Kingdom and Canada and the other dominions.

Mr. LOCKYER: I am quite aware of that, Mr. Chairman, but our proportionate loss, we must have had more men in the merchant navy in Canada than that?

Mr. LALONDE: It is not proportionate, Mr. Lockyer, because they had not all served in the same spot. There is one sure thing that if Canadian merchant seamen lost their lives at sea and had dependents they would certainly get a pension. It is an entitlement as of right. The only inference that you can draw is that the Canadian losses were not as heavy or that there was a lot of single men in the Canadian merchant seamen.

Mr. LOCKYER: All right, what we have established then is this, that the number of Canadians concerned—and they are the people we are interested in right now—the number of people we are concerned about right now are a very, very small group compared with the armed forces.

Mr. JOHNSON: I think on a percentage basis they were probably higher than the armed forces—merchant seamen.

Mr. LOCKYER: Casualties?

Mr. JOHNSON: Yes, the over-all casualties on a percentage basis.

Mr. LALONDE: Yes, but the number of men involved was much smaller.

Mr. LOCKYER: That is what I was trying to establish.

Mr. MELVILLE: One figure I can add. I got this information as I left this morning. This section of the act which provides for merchant seamen also provides for saltwater fishermen, that is, men who are fishing in the tidal waters of Canada. There are eighteen dependents in receipt of pensions on the books at the present time with an annual liability of \$20,880.

Mr. CARTER: That is in addition to the figures you gave first?

Mr. MELVILLE: Yes, they are dependents of saltwater fishermen.

Mr. CARTER: Are they broken down for Newfoundland?

Mr. MELVILLE: I will be glad to get it for you, Mr. Carter.

Mr. CARTER: It is not that important. I thought you might have it there.

Mr. HERRIDGE: I move we adjourn, Mr. Chairman.

The CHAIRMAN: Before we accept the motion, gentlemen, this was an extra session of the committee sitting so that we might, as I have indicated several times during our discussions this morning, obtain information on this merchant marine problem. We have actually been operating this morning without any terms of reference.

Have you any suggestions as to where we should proceed from here?

Mr. CARTER: Before we adjourn, Mr. Chairman, there is one question I have been trying to ask all morning. Mr. Johnson was telling us about dangerous waters. Did that vary from time to time and were certain areas declared dangerous and the same area declared not dangerous at different times in the war?

Mr. JOHNSON: Yes, naval authorities were the ones who designated dangerous areas.

Mr. CARTER: That was always changing?

Mr. JOHNSON: It changed to some extent, but I think most of the dangerous areas remained dangerous. I think if it was not submarines it was mines or something like that, but there were extra areas added to the dangerous list.

Mr. CARTER: And they are recorded and that information is available?

Mr. JOHNSON: Oh yes, we use that information in making medal awards.

Mr. CARTER: I think it would have been nice if we could have had that included in the record.

Mr. JOHNSON: Towards the end of the war most of the oceans were dangerous areas.

Mr. CARTER: Could that be supplied and put in as an appendix?

Mr. LALONDE: You mean the list of dangerous waters?

Mr. CARTER: Yes.

Mr. LALONDE: If we can obtain the list from the naval authorities we will be glad to do it.

The CHAIRMAN: How long would that take, Captain Johnson?

Mr. JOHNSON: If I can obtain the information. Well, I do not know how available their records are, Mr. Chairman. If they are anything like ours they are buried about five blocks away and about six cellars deep.

The CHAIRMAN: The problem here is the necessity of printing.

Mr. LALONDE: Is it not satisfactory, Mr. Carter, to know that there is a record of what were known as dangerous areas?

Mr. CARTER: Yes.

Mr. LALONDE: As long as the committee knows that without knowing exactly what they were.

Mr. CARTER: I was thinking about the minutes of this meeting going out to Mr. Heide and his associates and so on, that it would be additional information for them.

Mr. JOHNSON: I think perhaps, Mr. Chairman, war risk bonuses that were paid were paid for services in dangerous waters and without any exception, any exception at all, no matter where the ship was bound or what the nature of her voyage was during the war each member of her crew received the war risk bonus so practically every ocean in the world was dangerous.

Mr. CARTER: Practically every ship on the high seas?

Mr. JOHNSON: Yes, I do not think there is any question about that.

Mr. CARTER: Well, that is all I need.

The CHAIRMAN: On this matter of where we proceed from here, perhaps the members of the steering committee could remain behind for a moment.

This sitting, I believe, concludes our meetings for the current session. We can adjourn at the call of the chair, but in case we do not meet again in this way during the present session, I want to thank all the members of the committee for their interest as well as the officials from the Department of Veterans Affairs and particularly Captain Johnson who has been with us this morning.

Mr. THOMAS: What about a report of this meeting?

The CHAIRMAN: There will be a printed report.

Mr. THOMAS: Will we have to reach a conclusion or are we simply taking no action?

The CHAIRMAN: That is what the steering committee will meet together to consider. We have a motion to adjourn.

Mr. ORMISTON: I would like to say how much the committee appreciates the able direction of the chairman.

The CHAIRMAN: Very kind of you, Mr. Ormiston.—The committee adjourned.

Canada: Veterans Affairs Committee

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

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Physical &
Applied Sci.
Service*

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1 - 14

Estimates 1959-60 on the Department of Veterans Affairs

TUESDAY, FEBRUARY 17, 1959

THURSDAY, FEBRUARY 26, 1959

WITNESS:

Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.,

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (<i>Kings</i>)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

ORDERS OF REFERENCE

TUESDAY, February 10, 1959.

Resolved,—That the following Members do compose the Standing Committee on Veterans Affairs:

Messrs.

Badanai,	Herridge,	Peters,
Batten,	Jung,	Pugh,
Beech,	Kennedy,	Roberge,
Benidickson,	Lennard,	Robinson,
Broome,	Macdonald (<i>Kings</i>),	Rogers,
Cardin,	MacEwan,	Speakman,
Carter,	MacRae,	Stearns,
Clancy,	Matthews,	Stewart,
Denis,	McIntosh,	Thomas,
Dinsdale,	McWilliam,	Webster,
Fane,	Montgomery,	Weichel,
Forgie,	O'Leary,	Winkler—40.
Fortin,	Ormiston,	
Garland,	Parizeau,	

(Quorum 15)

MONDAY, February 9, 1959.

Ordered,—That the said Committee be empowered to examine and inquire into all such matters and things as may be referred to it by the House, and to report from time to time its observations and opinions thereon, with power to send for persons, papers and records.

FRIDAY, February 13, 1959.

Ordered,—That Items numbered 448 to 473 inclusive, and Items numbered 474 and 488, as listed in the Main Estimates of 1959-1960, relating to the Department of Veterans Affairs, be withdrawn from the Committee of Supply and be referred to the Standing Committee on Veterans Affairs, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

TUESDAY, February 17, 1959.

Ordered,—That the Standing Committee on Veterans Affairs be empowered to print such papers and evidence as may be ordered by it, and that Standing Order 66 be suspended in relation thereto; that the said Committee be granted leave to sit while the House is sitting; and that the quorum of the said Committee be reduced from 15 to 10 Members, and that Standing Order 65(1) be suspended in relation thereto.

Attest.

LEON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

TUESDAY, February 17, 1959.

The Standing Committee on Veterans Affairs has the honour to present its

FIRST REPORT

Your Committee recommends:

1. That it be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto.
2. That it be granted leave to sit while the House is sitting.
3. That the quorum of the Committee be reduced from 15 to 10 members and that Standing Order 65(1) (n) be suspended in relation thereto.

Respectfully submitted,
WALTER DINSDALE,
Chairman.

(The said report was concurred in by the House on the same day.)

MINUTES OF PROCEEDINGS

House of Commons, Room 112N.

TUESDAY, February 17th, 1959.

The Standing Committee on Veterans Affairs met at 11:30 o'clock a.m.

Members present: Messrs. Badanai, Beech, Dinsdale, Fortin, Garland, Herridge, Kennedy, Lennard, MacRae, Matthews, McIntosh, McWilliam, Montgomery, O'Leary, Ormiston, Parizeau, Peters, Pugh, Robinson, Rogers, Speakman, Stewart, Thomas, Weichel, Winkler.

The Clerk of the Committee attended the election of Chairman.

Mr. Montgomery moved, seconded by Mr. Weichel,

That Mr. Walter Dinsdale be elected Chairman of the Committee.

On motion of Mr. Speakman, seconded by Mr. Beech,

Resolved,—That nominations for Chairman now close.

And the question having been put on the proposed motion of Mr. Montgomery, it was carried unanimously.

Mr. Walter Dinsdale took the Chair and thanked the Committee for the honour bestowed upon him.

Mr. O'Leary moved, seconded by Mr. Pugh,

That Mr. Montgomery be elected Vice-Chairman of the Committee.

On motion of Mr. McIntosh,

Resolved,—That nominations close.

And the question having been put on the proposed motion of Mr. O'Leary, Mr. Montgomery was declared elected Vice-Chairman.

On motion of Mr. Lennard, seconded by Mr. Thomas,

Resolved,—That the Committee be empowered to print such papers and evidence as may be ordered by the Committee.

Mr. Speakman moved, seconded by Mr. Lennard, that the Committee be allowed to sit while the House is sitting.

In amendment thereto Mr. Herridge moved, seconded by Mr. Peters, That the Committee seek permission to sit while the House is sitting "only when it is necessary to hear representatives from the outside".

And the question having been put on the proposed amendment of Mr. Herridge, it was, on a show of hands, resolved in the negative on the following vision:

Yeas, 4; Nays, 16.

And the question having been put on the proposed motion of Mr. Speakman, was, on a show of hands, resolved in the affirmative on the following vision:

Yeas, 16; Nays, 4.

On motion of Mr. McIntosh, seconded by Mr. Ormiston,

Resolved,—That the quorum of the Committee be reduced from 15 to 10 members.

On motion of Mr. Lennard, seconded by Mr. MacRae,

STANDING COMMITTEE

Resolved,—That the Chairman, Vice-Chairman, and 6 other Members of the Committee, to be named by the Chairman, act as a Subcommittee on Agenda and Procedure.

The Chairman then announced that the following Members compose with him and the Vice-Chairman the Committee on Agenda and Procedure:

Messrs. Lennard, Kennedy, Rogers, Forgie, Cardin and Herridge.

The Chairman then informed the Committee that the Estimates of Veterans Affairs had been referred to the Committee and that it was proposed to start the business of the Committee on the 26th of February, 1959.

A 12.00 o'clock noon the Committee adjourned to the call of the Chair.

THURSDAY, February 26, 1959.

The Committee met at 10:30 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Badanai, Batten, Broome, Cardin, Carter, Dinsdale, Fane, Herridge, Lennard, Macdonald (*Kings*), MacEwan, Matthews, Montgomery, O'Leary, Ormiston, Parizeau, Pugh, Roberge, Robinson, Rogers, Speakman, Stearns, Stewart, Thomas, Webster, Weichel.

In attendance: The Honourable A. J. Brooks, Minister of Veterans Affairs, and Messrs. L. Lalonde, Deputy Minister; F. T. Mace, Assistant Deputy Minister, L. A. Mutch, Acting Chairman, Canadian Pension Commission; C. F. Black, Secretary of the Department, J. E. Walsh, Finance, Purchasing and Stores, with his Assistant Mr. A. F. Graves; Mr. J. G. Bowland, Research Adviser, and Mr. G. S. Way, Chief of Information.

On motion of Mr. Montgomery, seconded by Mr. O'Leary,

Resolved,—That pursuant to the Order of Reference of February 17th, 1959, the Committee, until further order, print from day to day, 900 copies in English and 200 copies in French, of its Minutes of Proceedings and Evidence.

The Chairman invited the Minister who addressed the Committee briefly.

The Chairman thanked the Minister for his attendance, and the Committee proceeded to the consideration of the Departmental Estimates for the fiscal year 1959-60.

Item 488—Departmental Administration was considered.

During consideration of item 488 Mr. Lalonde was called. The witness produced a chart showing Head Office Organization of the Department of Veterans Affairs, also lists of D.V.A. District Offices, V.L.A. District and Regional Offices, Departmental Hospitals and Institutions, and Prosthetic Manufacturing Centres, together with a statement of Appropriations and Expenditures covering the Estimates of 1959-60. Copies of the said lists and statement were supplied to each Member of the Committee.

During Mr. Lalonde's examination, Mr. Mutch answered questions relating specifically to the Pension Commission.

Item 488 was allowed to stand.

At 12:30 o'clock p.m. the Committee adjourned to meet again at 11:00 o'clock a.m. Monday, March 2nd, 1959.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

THURSDAY, February 26, 1959.

10:30 a.m.

The CHAIRMAN: Gentlemen, I see a quorum. We will proceed.

I want to dispense with the preliminaries at least at the commencement of the committee's sitting this morning, in view of the fact that we have the minister here and he has to be away to a cabinet meeting. There is one item I believe we must take care of before we commence our deliberations this morning, that of providing for the printing of the committee's reports.

Mr. MONTGOMERY: I move, seconded by Mr. O'Leary, that pursuant to the order of reference of February 17, 1959, the committee until further order print from day to day 900 copies in English and 200 copies in French of its minutes of proceedings and evidence.

Agreed to.

The CHAIRMAN: Now, without any further discussion, it is my pleasure to introduce the minister, Colonel Brooks. This is our second year of meeting together as the standing committee on veterans affairs. Most of you are veterans from the committee last year: others are new to some extent. Perhaps it would be helpful if the officials of the department who are with us this morning could be introduced, and there is no one better qualified to do that than the minister.

We welcome you, sir, and are in your hands for as long as you wish to speak to us.

Hon. ALFRED JOHNSON BROOKS (*Minister of Veterans Affairs*): Mr. Chairman and gentlemen, it is not my intention to make any forty-minute speech. As a matter of fact I am supposed to be in cabinet but I said I had to come here first.

As the chairman has told you, most of the members on the committee this year I see were members last year. However, I notice also there are some new members. I wish to welcome both the new and the old members—and by that I do not mean old in years, but now older in experience than when they were here last year.

I also wish to express my pleasure, Mr. Chairman, at your selection again as the chairman of this committee. We feel that not only you but the whole committee did an excellent job last year, and frankly I want to express my personal appreciation and my thanks to all the members of the committee.

As I said last year, I do not see many of the faces which I have seen over the past twenty-three years here in this committee. Without calling attention to a very old member of the committee—and again in that I mean old in experience, and of course in twenty-three years you do get a little older in years—I would like to say I see my good friend Mr. Herridge here who served on a great many committees with me in days gone by. I also see Mr. Mutch who used to be chairman of this committee when we were studying the veterans charter.

I think this is one of the best committees of the house; I always have felt so. A great many friendships are formed here. By that I do not mean we have always agreed on everything that was done—because I have seen

some rows in the veterans affairs committee,—but we usually came out with a solution of the problem pretty much in favour of the veteran; and that is exactly what the purpose is.

Mr. HERRIDGE: Family rows.

Mr. BROOKS: Yes. Some family rows are of the worst kind, but these did not prove to be so.

I might say that during the recess I took the opportunity which is also part of my duty as the Minister of Veterans Affairs to visit different parts of the country, including the different district offices as well as our hospitals.

There is a lot of visiting to be done. When I came to the department I was informed by the deputy minister it would take six months to make a proper visit. I did not spend six months but I spent a few months and I got more than half way through I believe.

However, it was a great experience to visit the district offices and to visit the persons who are at the grass roots as far as our work is concerned,—the nurses, the doctors in the hospitals, the attendants, supervisors and those in the Veterans Land Act who go out to inspect the farms and keep in touch with the men. That is where one gets a good idea of the work being done by the Department of Veterans Affairs. It is an enormous task. Having had that opportunity myself and knowing what a benefit it was to me personally, I hope that this committee if it so decides will have an opportunity to visit at least some of the hospitals near Ottawa.

I would like to try to arrange perhaps a visit to the Sunnybrook hospital in Toronto, one of the largest in Canada, and also a very fine one, and perhaps also a visit to the Queen Mary hospital in Montreal. These are two of the hospitals near Ottawa. I think it would be a great education and a great help to the members if they visit these hospitals and see the work being done for the veterans in the hospitals.

I might say that hospitalization is becoming one of the greatest if not the greatest task, as far as veterans are concerned. The first work you will undertake here will be that of looking over the estimates. Last year was the first time the estimates had been sent to the veterans affairs committee. They are also of course placed before the committee of the whole house.

There is a good deal involved in the consideration of the estimates. It is not just a matter of looking at an estimate and passing it. The intention in going into the estimates—and I do not need to tell you this—is to determine whether or not this amount of money is needed for that particular purpose. I do hope a thorough investigation will be made by the members of the committee. You have all the time that is necessary.

We will have at the disposal of the committee, not only the deputy minister, but also the head of every branch of the department—the Veterans' Land Act, the pensions, the war veterans allowance, hospitalization, insurance, and all of these. I hope when these items come before the committee that a very thorough study and search will be made of all the estimates, and in doing that you will be doing what is the proper work of the committee and something which should be done as far as the public is concerned.

Besides the estimates, we will have three bills before the committee this year. Two of them are important but are not long. The legislation includes amendments to the War Grants Act, the Veterans Rehabilitation Act and the Veterans' Land Act. The first two will not take very much of your time. The third, the Veterans' Land Act, will take a lot of time because we can make a thorough study of it, and we will have more to say about that later. It is something which I know is going to be very interesting and will require much of your time.

Besides the study of these acts, you will have representations made to you by different veterans' organizations. I do not think, Mr. Chairman, there is

anything more I wish to say this morning. The officials of the department are here. They will be available to the committee at all times and I want the committee to make the very best use possible of them. I hope to attend as many as possible of your meetings as I can.

I simply wish you the very best of luck and hope you will enjoy the discussions. I know your deliberations will be of benefit not only to yourselves but also to the House of Commons and the people in general. Thank you very much, Mr. Chairman. I am going to ask the deputy minister to introduce the officials from the different branches and if you will excuse me I will go about some other duties which I have this morning.

The CHAIRMAN: Thank you very kindly, Mr. Minister.

Now, gentlemen, our first item of business is consideration of the estimates, and for that purpose we will require copies of the estimates book. I trust everyone is suitably equipped.

While some of the members have left to get their estimates books, perhaps I may sound out the opinion of the members of the committee in respect of future sittings. Last year we sat usually on Mondays and Thursdays. It will be the responsibility, of course, of our steering committee to make the final decisions on these matters, but I would like some expression of opinion from the members of the committee as a whole in respect of sitting on Mondays while we are considering the estimates at least.

Mr. BROOME: It does not affect the western members.

The CHAIRMAN: That is true.

Mr. CARDIN: What time do you usually sit?

The CHAIRMAN: We would get under way at ten-thirty.

Mr. HERRIDGE: Mr. Chairman, if we are to undertake to sit on Monday mornings and on Thursday mornings, in view of the probable length of the session, we should pretty well get through our work without having to sit while the house is sitting.

The CHAIRMAN: That is my own thinking in the matter. Could we have a general agreement in respect of the Monday morning sittings?

Agreed.

The CHAIRMAN: I think we have spokesmen here for most of the regions interested in this, so the steering committee will go ahead and make arrangements accordingly. I hope the steering committee will be able to remain behind for a few minutes in order to finalize these matters.

Mr. STEARNS: Will we still sit on Thursday at ten-thirty?

The CHAIRMAN: Yes. We hope to sit at ten-thirty unless we run into a series of conflicts with other committees.

Mr. STEARNS: I am thinking of the mines committee. Can you get them to sit at a time other than ten o'clock on Thursday?

The CHAIRMAN: Last year there were two committees scheduled for Thursday morning and the mines committee was not one of those committees. We will try to have a working agreement.

Mr. FANE: Have you decided on Monday and Thursday at ten-thirty?

The CHAIRMAN: We hope to sit in the initial stages on both Monday and Thursday mornings. Incidentally, I am using this time until the other members return. We will have a final expression of opinion in respect of the Monday meeting before the next day's meeting.

Mr. PUGH: Is there anything wrong with meeting at eleven o'clock instead of ten-thirty?

Mr. HERRIDGE: Could we consider meeting at eleven o'clock on Monday and ten-thirty on Thursday?

The CHAIRMAN: That should be agreeable. We could sit from eleven until one.

Mr. MONTGOMERY: Do you not think Thursday is going to be a day on which it will be difficult to make arrangements?

The CHAIRMAN: I think Thursday will be the difficult day.

Now we will proceed to the main business of our meeting this morning. We have with us the deputy minister of the department, Colonel Lalonde.

Mr. CARTER: Before we start discussing the estimates, could you give the committee any information as to what organizations or what briefs may be before us at this session.

The CHAIRMAN: Yes. I can do that, Mr. Carter. We have had requests from three groups thus far and I anticipate hearing from others. So far they are the Hong Kong veterans association, the war amputees, the real estate people who are interested in amendments to the Veterans Land Act, and perhaps this could be postponed until that legislation is before us. The Legion I know will be interested, and perhaps the Canadian Corps. We will discuss this subject in the steering committee following our meeting this morning.

Mr. CARTER: Have you had any correspondence with the overseas forestry association?

The CHAIRMAN: No; there has been no approach from that group. Are there any further questions before we get under way?

Mr. CARDIN: Would you run down the list of the members who belong to the steering committee?

The CHAIRMAN: The membership of the steering committee consists of the following: the chairman, Mr. Montgomery, Mr. Leonard, Mr. Kennedy, Mr. Rogers, Mr. Forgie, Mr. Cardin and Mr. Herridge.

Mr. CARDIN: Thank you.

The CHAIRMAN: Now, Colonel Lalonde, we welcome you to our committee this morning. We have at least half a dozen new members of the committee so I think it would be helpful if you would introduce the officials who are here so that they might be properly identified, and we may start the discussion rolling with any remarks you might care to make.

Mr. LUCIEN LALONDE (*Deputy Minister of Veterans Affairs*): Mr. Chairman and gentlemen: speaking on behalf of the officials of the department may I say that it is again a pleasure for us to appear before this committee on veterans affairs.

All of us fully realize the importance of the work which you are doing, not only for veterans generally, but even for the department itself.

We sincerely hope that our contribution to your work will be helpful, and we shall certainly attempt to provide you with all the information you require in a clear and concise manner.

We also mindful of the fact that the members of the committee have always been very kind to us; and I would like to take this opportunity to express to you our appreciation and our thanks for your courtesy and understanding.

Before I go into the first phase of the estimates, I would like to introduce to you the officials who are here.

I was advised by the secretary of the committee that it wanted to deal this morning with the first item of the estimates, departmental administration. Therefore I have not asked all the officials who will appear before the committee to come down this morning. I have only asked those who are directly concerned with the item of departmental administration.

Later on as the work of the committee progresses, the director of each branch will appear before you and I shall have an opportunity at that time to introduce them to you.

I would like to introduce to you Mr. F. T. Mace, the assistant deputy minister; Mr. Walsh, director of finance, purchasing and stores; Mr. Graves, his assistant; Mr. Bowland, our research advisor and statistician. He is going to be a very important man to us while we are before the committee.

I also wish to introduce to you Mr. C. F. Black. Most of you already know him. He used to be the superintendent of insurance—well, he is not that any more; he was promoted last year to the office of departmental secretary.

I have not introduced the last official who is sitting here at the head table as being concerned with departmental administration. I think you all know him. He needs no introduction. He is the acting chairman of the Canadian pension commission. I mean Mr. Leslie Mutch.

Mr. HERRIDGE: Much was expected, "Mutch" has been given.

Mr. LESLIE MUTCH (*Acting Chairman of the Canadian Pension Commission*): I hope you will say that at the last meeting!

The CHAIRMAN: We are starting off in a very small manner!

Mr. LALONDE: You will recall that last year at your first meeting we started out by discussing the organization of the department generally. This year you may not feel that it is necessary to go into as much detail as we did last year, when there were so many new members. However, I think it would be helpful to you to have certain information about the organization of the department, about its officers in the field, about the people who do the work, and also some information that was requested last year.

So we are endeavouring to place before you right at the beginning a comparative statement of our estimates for 1958-59 and 1959-60, and at the same time an estimate of our actual expenditures in 1958-59 so as to give you another basis of comparison with the items which are asked for in next year's estimates.

With your permission I would ask some of the officials to distribute a folder which contains this information. Perhaps it might be useful if I went over the material in this folder as quickly as possible.

The first item is a chart showing the head office organization of the department with the minister and the deputy, the assistant deputy, the pension commission, and the war veterans allowance board.

These are self explanatory. Then, on the left hand side of the page you have the block which we call departmental administration and which is covered in the estimates under that title.

There is the departmental secretary's office; the information services; the four major directorates dealing with the administration proper, the directorate of personnel, finance, engineering, and legal; and at the bottom is the methods and inspection division.

At the right hand side of the page are the four branches which we call the operating units of the department.

Every benefit that a veteran can get is dealt with by one of those branches; and the four administrative directorates on the left hand side of the page provide all the administrative services to the branches shown on the right hand side of the page.

You will notice that we also have mentioned the name of each person who is in charge of each particular group. I thought it might be helpful to you if you ever wanted to contact any of them.

The CHAIRMAN: Mr. Lalonde has indicated that if you wish to ask questions at any time, it would be quite in order.

Item 448 Departmental Administration\$2,437,352

The CHAIRMAN: Anything which comes under the purview of item 448 is in order. Perhaps it would be helpful to have the questions and answers as we proceed. Are there any questions at this stage?

Mr. HERRIDGE: Do you include also the sub-headings under departmental administration, item 448?

The CHAIRMAN: What is your question, please?

Mr. HERRIDGE: Do you mean questions on any items mentioned under item 448? Is that what you mean?

The CHAIRMAN: At this point I wonder if we could restrict our discussion as closely as possible to the general heading "Administration services", because we shall be proceeding to the various branches, such as treatment services, V.L.A., welfare services, and so on, when we shall have the directors of each of those branches before us. Therefore may we restrict our questions this morning to those of a general nature? I think that might produce a more helpful discussion.

Mr. LALONDE: I forgot to say that each branch is governed by a separate vote; but the four administrative directorates are included in the one vote under departmental administration.

Mr. HERRIDGE: Yes.

Mr. LALONDE: The second item that you have in the folder is a list of our district offices. This serves a dual purpose. It gives you the name of the administrators or the people who are in charge in each office, and it gives you the address of that office. It also gives you the organization of our offices in the field areas.

That covers what we call our D.V.A. district offices; it covers the Veterans Land Act district and regional offices; and it covers the departmental hospitals across the country and the prosthetic manufacturing centers. Those are the places where a veteran can get an adjustment on his prosthetic appliances or a renewal, or a refitting.

Mr. HERRIDGE: What does the note mean, "regional administrators carry dual appointments"?

Mr. LALONDE: About four or five years ago we reorganized the department into five regions with each regional administrator being responsible for a number of district offices.

After seeing the system operate for about three years we decided that the regional administrator who had to have his office in one of the district offices might well carry out the duties of regional administrator and at the same time act as district administrator for the district in which he was residing.

We were thus able to economize to the extent of at least five senior positions across Canada. So far there has been no evidence that the work load has been such that it has not worked well with respect to the department and the district offices. We think it is a reasonable administrative move, and it has enabled us, as I said, to reduce by five positions at a fairly high salary level.

Mr. BROOME: That appears to be true in all regions except the Atlantic, where Mr. Scott has not the dual arrangements as shown in all other regions.

Mr. LALONDE: Well, Mr. Scott is regional administrator for the Atlantic region and at the same time he is district superintendent of Veterans Land Act. So they all carry a dual appointment.

Mr. WEICHEL: Are these copies sent to the different Legions throughout Canada? Do the Legions get a copy of this sent to them?

Mr. LALONDE: The provincial commands have this information in every province.

Mr. WEICHEL: I mean each individual branch?

Mr. LALONDE: No, not unless the provincial commands have made copies and distributed them to the branches.

Mr. HERRIDGE: They do in British Columbia.

Mr. LALONDE: I am not aware of that.

Mr. ROGERS: Mr. Chairman, I notice that C. A. Scott's address is Halifax; has he also an office in Saint John?

Mr. LALONDE: Yes, as district superintendent of Veterans Land Act his head office is in Saint John, but the office of the regional administrator for the Atlantic area has always been in Halifax.

Mr. ROGERS: Where do these gentlemen with dual capacity spend most of their time?

Mr. LALONDE: In the district office where they are located. They are asked to take a trip within the region; in other words, to visit the other district offices within their region once a month, if necessary. However, it is usually once every two months. The advantage of this system has been that previously whenever we wanted to bring together the people who did the work in the field in order to obtain their advice, we had to bring in 19 district administrators. This was very expensive and also a little unwieldy. Whereas now the regional administrators come to Ottawa three times a year on specific dates and we have what we call our advisory council meeting at that time.

In this way we are able to discuss with people who work in the field some of our problems and make recommendations to the minister. So that we are constantly in touch with what goes on in the field; otherwise, it is rather difficult to do it while sitting down in your office here in Ottawa.

Mr. ROGERS: I think it is a very good idea.

Mr. HERRIDGE: I would like at this time to compliment the persons responsible for this arrangement. It is distinctly against the trend in modern government administration; and I think those responsible should be complimented on this saving which is not affecting the efficiency of the department.

Mr. LALONDE: We are supposed to find these things out, Mr. Herridge; that is our job.

Mr. MONTGOMERY: May I ask, why a sub-district? I think you explained it last year but I have forgotten.

Mr. LALONDE: There are a few places where we need an office but there are not enough veterans or work involved to maintain a complete district set-up; so we call these offices sub-district offices. They are attached to a district office where we have a full complement of administrative services. For instance in district offices you have personnel services; you have treasury offices; you have legal services; you have financial services. These are not needed in the sub-district offices. They do the local work with a minimum of personnel, and all their paper work is done through the district offices. This eliminates a duplication of the services I have just mentioned.

Mr. MONTGOMERY: They would come under the district administrator of the particular area.

Mr. LALONDE: Yes, that is correct. For instance, in Sydney, they come under the district administrator for Halifax; in Kingston they come under the district administrator for Ottawa.

Mr. MONTGOMERY: Would these just have one person and a secretary, or something like that?

Mr. LALONDE: Oh, no. In Kingston we have welfare services; we have treatment services—on a reduced scale, of course. The Canadian pension commission has a pension medical examiner, and while that staff is not large

enough to constitute a district office, it is large enough to look after all the needs of the Kingston area without asking the veterans in the Kingston area to come to Ottawa to obtain what they want.

Mr. BROOME: But there are a limited number of sub-district offices. Certainly Windsor is the only one in the Ontario region, that I see. No, that is the main office. Are there checks being made all the time as to where these district offices are required or not required, or whether you need a district office in some other location.

In other words, the district offices do not seem to cover the whole country, apart from the main offices; and what I am wondering is whether the function of the district office is working itself out so that you do not need them.

Mr. LALONDE: We are, of course, conducting a constant survey of the volume of work in each office. As a result of that continuing survey, for instance, three years ago Kingston, which was a district office, became a sub-district because the volume of work had gone down to a point where it did not justify the continuation of a district office. We also have to take into account the geographical location; for instance, there is no doubt that the work in the district office in Charlottetown is not as great as that of the district office in Montreal. That is because of the population and the number of veterans in the area. But we have to maintain a district office at Charlottetown because of the geographical problems. We have to have a personnel office in Charlottetown; we could not operate from Halifax. We have to have our treasury services in Charlottetown.

Mr. BROOME: The point I am making is that if you have offices in British Columbia, at Vancouver, and if you go to Mr. Herridge's riding you have 350 miles of travelling. A lot of these district offices are relatively close to the main office. It was wondering if you operate in British Columbia with one main office if you need the sub-district office.

Mr. LALONDE: Yes, we think we can only operate on the basis on which we operate now, because the populated areas of British Columbia are so scattered that it would be impossible to have a sub-district office in any one area where you would eliminate the travelling we have to do from Vancouver.

Mr. MATTHEWS: How complete are the services in Victoria, British Columbia? From what I am given to understand they obtain very good service in that office.

Mr. LALONDE: This is our largest sub-district office. The only thing they do not have in Victoria is personnel services; that is handled from Vancouver. The legal services are also handled in Vancouver, as well as the main district treasury office. However, there is a treasury representative in Victoria.

Mr. MATTHEWS: And, of course, at the hospital there the island receives very good service anyway; the island is pretty close to Vancouver.

Mr. LALONDE: Again there is the geographical problem involved; even from the Victoria sub-district office they do a lot of travelling.

Mr. SPEAKMAN: In regard to D.V.A. district offices, I would like to ask why there is no mention made of the Yukon. From my knowledge of the Yukon I know there is a considerable population of veterans there. Is any consideration being given, perhaps at some future date, to open a sub-district office in Whitehorse?

Mr. LALONDE: This is a problem we are now studying. We have had representations from people who live in that area and we have discussed it with the region officials. Our regional administrator in the area has visited the whole of the Yukon in order to find out what the local problems are and the way in which the veteran population is distributed.

The main difficulty that appears to exist is that, even with a sub-district office in the Yukon, we would still have to do as much travelling; that is, the veterans would have to do as much travelling as we are doing now from Edmonton or Vancouver. Of course, most of the travelling we do is by plane. We have not been able to pin-point any area where there is a real preponderance of veterans to the exclusion of other areas in the Yukon.

In answer to your question, very definitely we are studying a method which will enable us to provide even better services than we are now providing.

Mr. SPEAKMAN: The point I am thinking about, Mr. Chairman, is the fact that Whitehorse now has a \$2½ million veteran hospital, and from my own knowledge—and it is three years since I have been there—there are, I would think, probably several thousand veterans numbered among the population of the Yukon.

In view of the very high cost of air travel, would it not be more economical to instal a sub-district office with, let us say, a principal clerk and a couple of junior clerks?

Mr. LALONDE: Would you mind, Mr. Chairman, reserving that question until Dr. Crawford is here, because he has been looking into that very problem and he has made some arrangements to provide that treatment in connection with the new hospital.

Mr. SPEAKMAN: I will do that; thank you.

Mr. LALONDE: If you would ask the question when he is before the committee he will be able to give you better information on this subject.

Mr. CARTER: Would Colonel Lalonde tell us the kind of set-up they have in London, England; is that purely a liaison office?

Mr. LALONDE: No, it is a complete district office, and it looks after all Canadians veterans living in England or anywhere on the continent who are entitled to some benefits under the charter.

Mr. CARTER: It is an exact duplicate of these district offices in Canada?

Mr. LALONDE: That is right, except they do not have any hospital; they use the hospital facilities of the United Kingdom government.

Mr. MATTHEWS: Are there many veterans in London and on the continent?

Mr. LALONDE: There are quite a few. Would it be agreeable to the committee if I provided that information at our next meeting?

Mr. MATTHEWS: Very good; thank you very much.

Mr. CARTER: Would you repeat that information for us; some of us did not hear the number of veterans overseas.

The CHAIRMAN: That information will be produced at our next sitting, Mr. Carter.

Mr. HERRIDGE: I might say I was in the London office in 1956, and while I was there at least a dozen veterans were waiting to see someone.

Mr. MACDONALD (Kings): Could you tell us, Colonel Lalonde, how the hospitalization is handled there; is it handled by the British department of veterans affairs and paid for by the Canadian government?

Mr. LALONDE: No, we have a senior treatment medical officer in the London office and he takes care of the examinations of veterans either for pension or treatment purposes. He is our liaison with the British hospital. They provide the beds; we pay for them. But the arrangements are made through our own Canadian doctor.

Mr. MONTGOMERY: Those are not private hospitals. What I am trying to get at is they have free hospital services for their own people. Does the government pay to the hospital?

Mr. LALONDE: No. If the man is admitted for his pensionable disability, I believe we pay to the government directly. I am not sure of the exact procedure. Doctor Crawford would know about it.

Mr. CARTER: Have these veterans given up their Canadian citizenship? Are they British citizens now?

Mr. LALONDE: Some of them.

Mr. CARTER: They would be entitled to all the hospitalization benefits of the ordinary British citizen?

Mr. LALONDE: That is right; but I believe we have an arrangement covering pensioners only. Otherwise, they come under the hospitalization plan in the United Kingdom and we do not handle them unless they need treatment for their pensionable disability.

Mr. ROGERS: There would not be too many with pensionable disabilities over there?

Mr. MUTCH: As of January 21, 1959, there were 2,512. The year before there were 2,641, a drop of just over 100. The great majority of those are the ones who drop off from World War I. The World War II cases are inclined to grow. It is pretty constant in the last two years at 2,500; that is pensioners alone.

Mr. WEBSTER: What is the status of the Canadian pensioner who would leave the country, for instance, to go to the United States, and takes out United States nationality. Does he lose his Canadian pension rights?

Mr. MUTCH: No. The pensioner himself retains his pension rights for disability incurred during service wherever he goes. It follows him. We have arrangements in the United States, very extensive ones, with the facilities there where he is admitted when he needs to be admitted; they correspond with the treatment branch here and we authorize whatever is required for his pensionable disability.

Mr. CARTER: Would the same be true for a widow in Canada, should he die in the United States? If his widow is entitled to a pension, would she receive it in the United States?

Mr. MUTCH: In respect of the group to which you are referring, the answer is yes. It would not apply in the case of Newfoundlanders whose pensions were British and acquired prior to Newfoundland becoming a province of Canada.

Mr. LALONDE: The last item in the folder is the statement on appropriations and expenditures. The first column shows the amounts which are in the estimates book for 1959-1960. The next column shows the amounts which parliament appropriated last year. The next column shows not the actual expenditures, because the year is not over yet, but it shows our forecast of total expenditures for 1958-1959. There may be some errors in the amounts which we forecast, but we think those figures are pretty indicative of what our expenditures will be for this year.

Mr. MUTCH: May I interject. I should have added, when I answered Mr. Carter's last question, that the fact of a widow not being pensioned when she leaves Canada applies also to the widows of those Canadian-born veterans with no Canadian service, e.g. whose service was solely with the British. It is not restricted to Newfoundlanders, but to all in these circumstances most of them, however, are Newfoundland cases.

Mr. CARTER: I hope you can change that some time.

Mr. MUTCH: If you do we would be very happy to administer it.

Mr. HERRIDGE: Under the appropriate item.

The CHAIRMAN: Maybe, Mr. Herridge, I could make a comment on that at this time. I think we agreed we would restrict our question to general administration, leaving specific items to be dealt with when the heads of the various branches are before us. Now that we are brought back on the track, we will proceed.

Mr. PUGH: May I make a general comment?

The CHAIRMAN: Certainly, Mr. Pugh.

Mr. PUGH: Items 448 right straight through to 488, are all very, very close together last year and this year. I was wondering if Colonel Lalonde would care to make any comment on that? In other words, the department seems to be running on a very even gear.

Mr. LALONDE: This only relates to the administrative group at head office where it is perhaps easier to estimate than it is in the field areas. But I believe, as I said last year before this committee, that we have reached a more or less permanent level of activity in the department for the next five years at which time it is expected there will be a decline in the work of handling the problems of World War I veterans; then there may be another period of five years in which the work of the department will have declined slightly. But as veterans of World War II grow older it will pick up again and we consider our peak load will occur between 1980 and 1985. So that the amount mentioned for departmental administration is indicative, I think, of that trend.

Mr. MONTGOMERY: If there is no more war.

Mr. LALONDE: That is right.

Mr. PUGH: Would the present administrative set-up be able to handle half as much again? You mentioned a peak period in 1985. Would the same administrative set-up which we have now be able to handle that?

Mr. LALONDE: What you mean is the number of people employed?

Mr. PUGH: Personnel. Could they handle more?

Mr. LALONDE: That is hard to say. It is always possible, I think, to handle with the same personnel a variation of even 10 per cent in the volume of work; but if you go further than that I think you do need more personnel depending on how it happened.

Mr. PUGH: Would you have any idea, percentagewise, what the peak is or which you are prepared, say in 1985?

Mr. LALONDE: Perhaps I can stick my neck out now. I do not think we will need any great increase in personnel because by 1985 the accent will be on certain aspects of the work such as treatment, welfare problems of older World War II veterans; but there will be less problems remaining. For instance, straight rehabilitation benefits will by then have disappeared. There will probably be a lot less problems for the Veterans Land Act and so on, so the volume ought to be about the same although some of the personnel may have to be directed to other fields.

Mr. CARTER: Have you attempted to anticipate expenditures say for a ten or twenty year period?

Mr. LALONDE: No. We think that would be crystal gazing. Of course, a great deal depends on what legislative changes parliament makes in the veterans' legislation. Just to give you an example, the last amendments to the War Veterans Allowance Act have made quite an increase in the volume of recipients whom we have to look after and process. That volume of work has increased a great deal in the last few years. We have handled it with the same staff.

Mr. BROOME: Do I infer from that that there is a continuing survey going on through all offices in respect of standardization of procedure and more efficient methods of operation within the offices themselves.

Mr. LALONDE: Yes. It is borne out by the fact that we now have in the department a division which is shown on your chart as the methods and inspection division which we set up last year to replace what we formerly had as a straight inspection function. We are now using that division primarily to study our methods and procedures. The inspection aspect of it is only to help them find out what is going on so as to improve methods.

Mr. BROOME: Do they have authority to go into district offices?

Mr. LALONDE: Very definitely. Actually, they work directly under the assistant deputy minister. I might explain the way we operate within the department. In order to have a clear-cut division of functions, ideal with policy of any kind, whether it is legislative or administrative policy, and Mr. Mace looks after the administrative detail. So the methods and inspection division comes directly under him, reports to him, and he assigns them wherever, in his opinion, there is a spot to be studied.

Mr. BROOME: Do you use outside consultants at all in that field?

Mr. LALONDE: We have not since we have had our own methods division, except that we have in certain instances used the methods division of the Civil Service Commission because our people were too busy.

Mr. ROGERS: These estimates seem to indicate a reduction of staff. Is that so?

Mr. LALONDE: Actually, the total staff in the department is exactly the same as last year. There is a reduction in the administrative vote of around \$3 million. This is due in great measure to the advent of the federal-provincial insurance plan which will permit us to collect from the plan in certain cases where we did not previously. So our revenue will increase, we hope, and this will mean that our cost of administration will thereby be decreased accordingly.

Mr. BADANAI: Under district services administration, has the department given any consideration to paying an allowance instead of purchasing motor vehicles? The complaint now is to make allowances on a mileage basis rather than to purchase an automobile for the staff.

In this item you have an expected expenditure for 1958-59 of \$79,000 on the subject of motor vehicles.

Mr. LALONDE: There are no vehicles under departmental administration.

Mr. BADANAI: Then what do you mean by that?

The CHAIRMAN: We are considering item 448 for the moment. I believe your query would come under 449, Mr. Badanai.

Mr. LALONDE: Yes.

The CHAIRMAN: Perhaps we can reserve that question until we come to item 449.

Mr. CARTER: I notice that the allocation for the corps of commissionaires is down, and that your estimated expenditure for this current year is much less, considerably less.

The CHAIRMAN: The item is 448.

Mr. CARTER: That is departmental administration.

Mr. LALONDE: That is right. Your question is: why is the expected expenditure less than the estimated amount last year? We are now asking for more money for next year.

Mr. CARTER: No. I am not particularly interested in that. Has there been any reduction? How does it happen that there is a difference in your actual expenditures?

Mr. LALONDE: It is because at the beginning of the year the x-ray film library was moved to a building in Hull. We had put in the estimates a certain amount for the commissionaires services in that building in anticipation of the move. But the Department of Public Works made arrangements in the lease. They had an item covering protective services. So they informed us of that item and we decided not to have a commissionaire.

For a period of time we did not have a commissionaire. But after a few months we found that it was not working, so we reinstated the commissionaire. However, in the meantime there was put in an estimated amount, and that amount stands because there was a gap during which no commissionaire was paid for that work.

Mr. CARTER: It looked to me as if you anticipated increased expenditure, but it actually did not materialize. I wondered what the plans were. Can you say what you paid these commissionaires?

Mr. LALONDE: Yes. We paid them the rate for Ottawa which is \$1.19 all told, and which includes \$1.10 for the commissionaire, and nine cents for the administration of the corps.

Mr. HERRIDGE: I think most of the committee know that the corps of commissionaires was formed many years ago, commencing in Great Britain, to provide some employment for ageing veterans.

A few years ago I discovered that a civilian, without any service whatever was employed as a member of the corps of commissionaires, and was actually employed by the Department of Veterans Affairs. When that was brought to the attention of the department, the situation was corrected.

Can the deputy minister assure us that all commissionaires employed by the Department of Veterans Affairs are men who have had military service?

Mr. LALONDE: That is a difficult assurance to give, because as you will understand, I do not personally know all those who are members of the corps of commissionaires. All I can say is that I believe, truthfully, that the corps of commissionaires has not, since then, tried to place any non-veteran in work to be done for the department. Otherwise I would have heard about it.

They may have non-veterans in jobs which they do for civilians, but I have no control over that, and neither does the department. As a matter of fact fifty per cent of their work is done for firms other than governmental departments.

Mr. CARTER: There is nothing in the constitution or charter of the corps of commissionaires to prevent them from taking any civilians.

Mr. LALONDE: I do not think so.

Mr. HERRIDGE: I looked up this matter very thoroughly when an old veteran came up to me from the Department of Veterans Affairs and said there was a man employed in that block who had never had any service. I believe Mr. Parliament investigated the matter at the time and the situation was corrected immediately. But I wanted to make sure that it would not recur.

Mr. LALONDE: That happened before my time; but I believe that when the corps was formed, it was formed under a government charter for the purpose of assisting older veterans in employment. While this was evidently the accepted purpose, I do not think there was any prohibition mentioned in the charter; in other words, there was no negative clause in the charter. There is however a positive clause to employ older veterans.

Mr. CARTER: Following up this commissionaire subject, I understand that there is a quite wide discrepancy in the rates paid to the commissionaires, depending on the region where they are employed. I think there is quite a discrepancy between the wages of a commissionaire employed in Ottawa as compared to one employed in Montreal doing the same job. That sort of thing worries me considerably. I think as far as veterans are concerned we should try to see that they get equal pay for equal work.

Mr. LALONDE: What you say is perfectly true, Mr. Carter. The rates paid to commissionaires vary with the area in which they work. This, of course, is justified, if you look at it on a practical basis.

In the same way there are civil servants who are paid different rates for doing the same work in different cities. We call them prevailing rate employees. Most of these people are doing a specific kind of work, and they must be interested in seeking that type of employment in the city where they live, by competing in the open market with other employees.

So if the corps of commissionaires were to pay its members the same rate everywhere, necessarily they would have to strike a medium rate for Canada, in the same way the Civil Service Commission has to strike a medium rate for all classified civil servants across Canada. They do not pay the highest rate, nor do they pay the lowest rate. They pay a medium rate.

So if you did that with the corps of commissionaires, people in Vancouver would not work for you, while the people in Halifax would be very happy. The people in Ottawa would be very happy, but in Toronto they would not. So that the corps would be cutting its own throat in certain areas by following that practice.

What they are attempting to do now is to meet a market rate for that type of employment in the local areas. And while it is true that the commissionaires in various parts of Canada do not get the same salary rate, the salary rate which they do get is based on local conditions.

If they live in Vancouver where labour is more expensive than in Halifax, they get a rate which will compensate them by comparison with other people who do the same kind of work.

In Halifax they will also get a rate which will compensate them on the same basis. There are a great many factors involved.

Mr. CARTER: I have two points which I would like to develop with Colonel Lalonde. The first point is this: who determines this rate? Is it done by your department, or is it done on the advice of the Department of Labour?

Mr. LALONDE: The latter is right.

Mr. CARTER: If that is so, then my second point is this: I think that in determining that rate, the Department of Labour very often takes too small a region. I do not think that the variations in the maritime provinces are so great as to demand one particular rate for Nova Scotia, another rate for New Brunswick, a different one for Prince Edward Island and another one for Newfoundland. I think that the maritime should be taken as a single region.

I have heard that complaint not only amongst the commissionaires, but amongst prevailing rate employees employed by the federal government.

Mr. MONTGOMERY: I am afraid I must disagree with Mr. Carter. I think that the prevailing rate as such is a very sensible and sound idea because it does give to the corps of commissionaires a chance to employ many veterans who otherwise would not be employed.

Industry is not just going to employ somebody unless it can afford to do so. Where there are different rates set, then the commissionaire would very normally get the job, even though he got a few cents an hour less than he might have got in a town fifty miles away. I think the system used is a sound and practical one.

Mr. CARTER: I do not think Mr. Montgomery understood my point. My quarrel was that in determining these prevailing rates the Department of Labour took too small a unit, and I suggested that we should have one unit for the maritimes and not three or four separate ones.

Mr. LALONDE: I am not qualified to answer that point. The only thing I could say on it is this: as I have said at the beginning, fifty per cent of the work done by the corps of commissionaires is done for outside employers. The rate is set by the treasury board on the recommendation of the Department of Labour and it applies only to government contracts.

I have not heard of any great discrepancy in any city between the rate paid the commissionaire working for the government and that paid the commissionaire working for a private employer.

I think that the Department of Labour—if they have not hit it on the nose—have come pretty close, because employers are willing to pay the same rate.

As Mr. Montgomery said, if the rate we pay is too high, then civilian firms would not employ commissionaires; they would go out and hire their own people.

Mr. CARTER: I do not think that is entirely true, because the commissionaires are performing certain duties which ordinary people do not want to perform.

The CHAIRMAN: I think Mr. Macdonald has a comment to make, and then Mr. Speakman, and then Mr. Pugh. Now, Mr. Macdonald.

Mr. MACDONALD (*Kings*): Mr. Chairman, on that point I would like to make this comment: I think Mr. Carter is a little bit in error in that view, that the labour unions have objected to the fact that the corps of commissionaires are being paid an almost comparable rate, whereas they are in almost a preferred class. I know that is the objection on the part of labour in my area; and the corps of commissionaires—most of the personnel—some of them do not realize it, but they are getting a real break. They may be getting a little less than the ordinary wage rate, but this should not be given too much emphasis, otherwise they may lose their preferred position.

On this point, Mr. Chairman, I think it is generally understood that all this money under 488 in regard to the Canadian Corps of Commissionaires services is for the employ of corps of commissionaires personnel at government offices here. I wonder if Mr. Lalonde would explain to us briefly the set-up of the corps of commissionaires in relation to the Department of Veterans Affairs. Among some veterans there is a feeling they are employees, which, of course, is entirely wrong. In our area the district administrator also administers the corps of commissionaires. Would you please clarify this matter for us.

The CHAIRMAN: Before we proceed to that point I think there are general comments on the subject raised by Mr. Carter.

Mr. SPEAKMAN: May I say this: I had occasion to study the charter of the corps of commissionaires and they work under contract and charge on contract basis to their employer. My recollection—and I believe it is correct—is that their scale of salaries is based on provincial minimum wage laws, and the corps themselves set their contracts on that basis.

The CHAIRMAN: Mr. Pugh?

Mr. PUGH: That has pretty well answered my question. However, there is one further matter: do the commissionaires who are employed give full value for the money paid out?

Mr. LALONDE: I can speak only from our own experience. Most of the commissionaires whom we employ work either in our head office here or

in our hospitals across the country. We are quite satisfied that we could not get the same type of service if we employed people who are not grouped into an association. The way the corps operates, and the fact that they are members of a corps and are in uniform, has been most helpful.

Mr. PUGH: That certainly bears out the situation in British Columbia; we have the same comment out there.

Mr. LALONDE: We do not think we would achieve the same results if we were employing, let us say, a receptionist.

Mr. BROOME: Mr. Chairman,—

The CHAIRMAN: Is it on the subject?

Mr. BROOME: No.

The CHAIRMAN: Mr. Macdonald had a general question which we could take care of now.

Mr. LALONDE: The corps of commissionaires operates as a separate entity. They have a headquarters in Montreal with a board of directors composed of five or seven members, I am not sure which, but recruited from across Canada. Then they have provincial headquarters in each province, I believe. As far as the department is concerned, all we do is pass a contract with the corps to provide so many hours of service to cover so many posts at the rate laid down by treasury board. If they accept that contract they provide the men and we have no authority over those men. If, for example, one of them gets out of line or does something which he should not have done, we have no disciplinary powers over that man. We must report him to his commandant, and the commandant deals with him as a member of the corps, not as a member of the Department of Veterans Affairs.

Mr. BROOME: I wanted to go back to this methods and inspection division; I assume that is part of 448.

Mr. LALONDE: Yes.

Mr. BROOME: And it has been in operation just about a year. I was wondering whether you anticipated any savings from this department. I am rather concerned as to the over-all growth of the civil service. It does grow and, as an outsider, I think there is room for increased efficiency in government departments: this looks very much like a step in the right direction. I was wondering whether you anticipated an increase in efficiency and lower costs?

Mr. LALONDE: Our experience in the past year, Mr. Broome, is that the methods division has not been able to achieve a great deal. We conducted a competition to fill the position of chief of that division, and this man has been studying the set-up of the department. I think he knows enough now to make a useful contribution. Mr. Mace has given him certain specific tasks which have resulted in better procedures. We are certain that there will be a lot more instances in the next few years where this division will recommend to us changes in our administrative set-up. They will recommend changes in procedures which will enable us perhaps to amalgamate functions and reduce staffs. How far that will go, I cannot say at this time; but very definitely we are convinced that it will pay not only for itself but it will pay dividends in the long run. When you go through the various items in the estimates you will notice that there has been a decrease in staff—

Mr. BROOME: What would be the total number of employees?

Mr. LALONDE: —in most of our administrative directorates; but that has been absorbed by an increase in treatment staff. We are still short of personnel in treatment.

Mr. BROOME: I can understand that.

Mr. LALONDE: So that whatever we can find elsewhere, we try to use those positions to fill a need in the treatment services. I think the minister indicated at the beginning that treatment service was fast becoming our largest operation. That is understandable. In the process, of course, it requires certain adjustments and Dr. Crawford will be explaining to you why he needed those positions we found for him elsewhere.

Mr. WEICHEL: I was going to ask whether the headquarters of the Canadian Corps of Commissionaires in my district is in Hamilton?

Mr. LALONDE: They have a command there.

Mr. THOMAS: I have another question in connection with inspection methods. Is that shown here in the estimates? Is there an item for that?

Mr. LALONDE: Not a separate item. It is included in the salaries, because there are no other expenditures. They are set out in the details of the estimates.

The CHAIRMAN: The details are found at 549 of the blue book.

Mr. SPEAKMAN: To go back to Mr. Broome's question, the deputy has indicated there are a certain number of vacancies existing in the treatment service. Do these vacancies require certain skills?

Mr. LALONDE: Most of them are nurses and nursing orderlies. Some of laboratory technicians.

Mr. ROGERS: Mr. Chairman, I was just wondering, in view of our discussion last year on distribution of campaign stars and so forth, what progress has been made?

The CHAIRMAN: Before the deputy answers that question, would he answer Mr. Thomas' question.

Mr. LALONDE: You see we have set up the position of chief, methods and inspection division, at page 549. He will receive a statutory increase this year. That is the reason why there is a difference between the amount for last year and this year. Then we have a position of administrative officer, grade 2. We had three last year and we now ask for four. That is in order to provide one position of assistant to the chief of methods. He is an additional methods officer. So you can see that we are gradually building up this section. As a matter of fact, we started out only by employing a chief of the methods division until he could find out what was to be done and whether or not he could do it himself, or whether he would need some help. Now he has come to the conclusion he does need more people.

Mr. PUGH: What would be the total number of employees?

Mr. MACE: For what?

Mr. PUGH: For the whole department.

Mr. LALONDE: The figure I am going to give you includes the Canadian Pension Commission, the War Veterans Allowance Board and the Veterans and Act. The total staff employed as of the 31st of January, 1959, was 3,764, and of that 9,892 were in treatment services.

Mr. MONTGOMERY: May I just follow up, Mr. Chairman, with that question? In these salaries under "department", does that include the London office employees?

Mr. MACE: London, England?

Mr. MONTGOMERY: Yes.

Mr. LALONDE: It is in vote 449.

Mr. HERRIDGE: Would the item "publication of departmental reports and other material—\$3,500", is that the cost of publishing the departmental report which the members received?

Mr. LALONDE: No, Mr. Herridge; there is a separate item for that. Are you talking about the \$3,500?

Mr. HERRIDGE: Yes.

Mr. LALONDE: Yes, that is the annual report which is tabled in the house each year.

Mr. HERRIDGE: That is the amount paid to the Queen's printer?

Mr. LALONDE: Yes.

Mr. HERRIDGE: That is a very modest sum.

Mr. LALONDE: We are told each year to put just so much in the estimates for the annual report.

Mr. HERRIDGE: How many copies are normally printed?

Mr. LALONDE: I forgot to introduce to you another of our departmental officials, Gordon Way, our chief of information. Do you have that figure in relation to the annual report?

Mr. WAY (*Chief of Information, Veterans Affairs*): No.

Mr. LALONDE: Could we provide that at the next meeting, Mr. Herridge?

Mr. HERRIDGE: Certainly.

Mr. PUGH: May we have the distribution as well?

Mr. LALONDE: Certainly, number and distribution.

The CHAIRMAN: We have a question pending for Mr. Rogers. Are you on this subject?

Mr. THOMAS: No, I wanted to raise item No. 2—allowances.

Mr. ROGERS: In view of our discussion last year in committee about the distribution of war medals, I was wondering whether any progress has been made in that direction?

Mr. LALONDE: Well, Mr. Chairman, in view of the fact that there has been a certain amount of publicity about war medals and, I feel, a certain amount of misunderstanding, would the committee be interested in a short review of the background of this problem and the progress we are making?

Mr. HERRIDGE: We certainly would. Let us get the facts so the press will know them.

Mr. LALONDE: After World War II there were 1,060,000 veterans who were eligible to receive one or more medals. The total number of medals struck was 3,146,858. These became available for issue on October 1, 1949, in other words three years after the end of the war. At that time the decision was made to start distributing them right away because it would have taken years to engrave them with individual names, and of course it would have complicated the distribution process.

At that time the department was faced with a decision as to how they were going to make the distribution of these three million medals. The medals were struck at the request of the Department of National Defence and the Department of Veterans Affairs had many discussions with the Department of National Defence. It was agreed that the Department of Veterans Affairs, because it had inherited the war service records, would be the distributing agency.

At that time the Department of Veterans Affairs was told by the Department of National Defence that distribution of medals of former conflicts had always been made by using the system of applications by those who were entitled to the medals. In addition to that the department at the time felt that the process of distributing medals three years after the war would be complicated by the fact that a number of veterans had been moving around right after the war and a lot of the addresses which we had on file might not be the

correct ones. They were also faced with the problem of getting the medals—because bulk was involved—to the right people.

Rightly or wrongly the decision was made, with the consent of the Department of National Defence to use the system of filling out applications for the medals. To obviate the difficulty in respect of addresses, it was decided to register the parcels. That worked very well, because all veterans who applied gave their new address and the medals were posted by registered mail to that address. But it was a slow process for two reasons. You had to wait for the application card to come in and also you could not swamp the post office with registered parcels all at one time.

To complicate matters a little further, the Royal Canadian Air Force decided to issue their own stars which they did in 1950. So the department then had to ask one more question on the application form which it never intended to ask. It became necessary to ask "what medals do you already possess?" That was because some of the veterans had already received some medals directly from national defence.

This went on for a number of years. By January of this year 560,000 World War II veterans had received the medals to which they were entitled. This covered a total of nearly two million medals, leaving us with approximately one million unclaimed medals of which 500,000 were war medals and 400,000 were Canadian Volunteer Service medals. The Canadian Volunteer Service medal is governed by the following terms of eligibility: 18 months voluntary service in the Canadian forces between September 1939 and March 1947. The war medal covered 28 days service anywhere between September 3, 1939 and September 2, 1945. Those are the two medals which are really left for distribution now. About four years ago the administration became concerned with the number of these unclaimed medals.

We decided to run a series of tests to find out what would be the best way of handling this situation. We started out by advertising in what we considered to be the most thickly veteran-populated area, Toronto and London, and we advertised in three Toronto newspapers and one London newspaper for two days. This cost us \$2,272 for two ads in four newspapers.

As a result of this advertisement, we received 8,000 additional applications. We considered at that time that 8,000 applications in the most thickly populated area in Canada, as far as veterans are concerned, would mean that a small percentage of those who have not already applied would apply if we were to run an advertising campaign in all the newspapers across Canada.

The cost of running the same advertisement in only the daily newspapers in Canada for two days would be around \$18,000. We had no choice; we do not have that much money in our budget for publicity purposes. So we looked elsewhere to find a solution. We began on a trial basis the distribution of medals without application. In other words, we changed the principle which had been used for all distribution of medals previous to last year. In this trial we used two methods: we dispatched one thousand shipments per month for four months. In July and August, 1958, we sent a number of registered parcels and a number of unregistered parcels and we kept track of the two types to see whether it was necessary—if we were going to use the addresses which we had on file, although they sometimes dated back a long time—whether it would be necessary to use registered mail in every case, or whether we could trust to the information we had on file.

Surprisingly enough, of the 4,000 parcels dispatched in that fashion, the proportion of those that were returned was the same between registered mail and unregistered mail. So we said: we think that is the best solution. Let us get a number of our clerks to go through the files of these people who have never applied for their medals. Let us get the last address that it is possible to get from the information which we have, and let us mail these medals to those addresses.

If they are not returned, we shall assume that they reached the person at the right address. If they are returned, we shall have to do more searching.

But in the meantime we shall be able to increase the number of parcels which we can send every month, provided the post office is willing to take them, and in that way distribute quite a number of medals, even to veterans who have not asked for them, but who may be glad to get them without having to sign an application form.

We have stepped up our dispatch of parcels now to a little over 2,500 a month, and I think that within the next year we shall be able at least to double that amount.

The percentage of parcels returned to us as undelivered is one in five. That is not too bad. So we propose to increase our distribution to a number which we can handle and which the post office will accept by sending out first of all parcels to those who are entitled to three medals or more, and then once we are through with that, we shall send them out to all those who are entitled to two medals, and finally to those who are entitled to one. In this way I hope that within a few years we shall be able to mail out all the medals to everybody.

Mr. BADANAI: Until the next war!

Mr. MONTGOMERY: Do you get back any receipts?

Mr. LALONDE: We did not think that once the package had been delivered, the veteran would bother sending us a receipt: so it might be misleading more than anything else.

Mr. WEICHEL: Are those application cards still made available at all post offices?

Mr. LALONDE: Yes. There may be some places which do not have them any more. But for the most part they are available in all post offices. We are still getting some.

But in view of the new system, we feel we should handle everything we can right now in dispatching those parcels; and then when we receive the ones we get back eventually, I think we will have to find a means of getting these people to tell us where they live. It may be through another card or it may be through a modified form of publicity.

Mr. WEICHEL: Do you not think that the post offices should have these cards on hand at all times?

Mr. LALONDE: Well, there is no objection to that. The point is that as far as we are concerned, if we have the address, we do not need an application. It is only in those cases where the parcels are returned because they are mailed to the wrong address, that we will need an application. But I think we shall have to devise a new form—not the same as the old one.

Mr. WEICHEL: When I was in the post office we would have a chap coming in and asking if we had a card to mail about the medals; and he would say: I forgot to give you a card, so I had better give you one.

Mr. LALONDE: In those days they had to fill out a card.

Mr. ROGERS: What about putting up a notice in each post office?

Mr. LALONDE: You mean a poster?

Mr. ROGERS: Yes, just a simple poster.

Mr. LALONDE: We have thought about that; it might bring in a few applications.

Mr. ROGERS: It might be effective in the case of those who are interested: but there are quite a number who are not interested.

Mr. LALONDE: I am afraid that it would be about one tenth as fast as the procedure which we are attempting to use now.

Mr. WEICHEL: In my opinion only about ten per cent of people look at the notice boards in the post offices.

Mr. SPEAKMAN: I wonder if the department has given any thought in view of the fact that approximately twenty per cent of the parcels are being returned, about enquiring of the Legion for perhaps a closer address? I have found that the legions throughout the country keep a fairly close track on veterans in their area.

Mr. LALONDE: They would only know about the members of the legion. I am inclined to think that the members of the legion have already applied for and received their medals.

Mr. SPEAKMAN: I must disagree with you, because I know that in my own particular branch there are, I would say, perhaps two dozen or more people who could have been recipients of one or more—sometimes of as many as three of those medals—yet they have not bothered to apply, and I think that no amount of coaxing will get them to apply. But what I am thinking about is the amount of parcels which you get returned.

Mr. LALONDE: That is right.

Mr. SPEAKMAN: Because, in the case of my own branch, we know pretty well the names of every veteran in our area despite the fact that he may not be a member of that branch. We feel it is our duty.

Mr. LALONDE: That is a suggestion for which I am thankful, Mr. Speakman. I think what we will have to do is to make up a list of those returned parcels and find out from the dominion command of the legion how they might help us.

The other idea is also a good one: the idea of giving some publicity with respect to those who have not received their medals. But I wonder if that publicity should be done at this time.

We are in the process of dispatching medals at as fast a rate as we can possibly do it, therefore I would prefer to wait until we had distributed the bulk of the medals to a number of people and then look after those whom we may have missed in the meantime.

Mr. CARTER: How many names are there on your file who have not applied for or received their medals?

Mr. LALONDE: There are about 400,000 who have not applied yet.

Mr. CARTER: Have their names been printed in the papers or anywhere?

Mr. LALONDE: No. But if it costs \$18,000 for a small advertisement in all the newspapers, it would cost a fortune to get all the names printed.

Mr. ROGERS: There is one right here. I mean Mr. Pugh. You can take his application right now.

Mr. PUGH: Further to what Mr. Speakman has said, it would seem to me that we have two types of veterans, the rural and the urban. In the case of the rural, I can speak for them and say that veterans do keep in touch with one another, even though they may not be members of the Legion. If anything in the nature of dues comes along they say: get hold of Charlie or someone else—and they manage to bring him in. I think the Legion in rural districts could look after those without medals, if pressure was put on the Legion to do this as a service. The same is not the case in towns.

Mr. LALONDE: That is what I meant when I said I would like to get in touch with the dominion command, and find out from them. We have to deal with them and we could find out if, through their branches, they could help out. I have to admit that it is a problem which has given us many headaches. It was not as easy to solve as it appeared to some people.

The CHAIRMAN: Now, gentlemen, I do not want to bring this instructive discussion to an abrupt conclusion. I see there are one or two members who

wish to make a further contribution. However, we should try to conclude by twelve-thirty. Mr. Weichel, have you a question?

Mr. WEICHEL: When you inform the Legion, it might be a good idea to inform the army, navy and air force organizations, the Canadian Corps and the amputees; they are different organizations who would help.

Mr. LALONDE: Yes, that is right. We should get all the organizations to help us out. The big question now is when should we make that move. Should we make it now, when we think we have enough useful work for a couple of years?

Mr. WEICHEL: It might be a good time about a week before a lot of them have their Vimy Ridge dinners.

Mr. LALONDE: That is pretty soon.

Mr. MACDONALD (Kings): I was going to suggest, Mr. Chairman, that I was rather surprised to see that the appropriation for advertising or publicity was quite small. I was going to say that probably the Legion could run an advertisement without too much expense, and if you asked them they would likely write a feature article. A lot of the membership committees of the Legion are in touch at least with all veterans in their areas because they are soliciting memberships. They do have a wide coverage. I think that would be one method supplemental to what you are doing, to help you get the medals out faster.

Mr. LALONDE: I can say this, that we have been conducting various experiments with respect to this distribution. We have pretty well made up our minds as to what we thought would be the best way of handling it. However, we did not make any move to publicize it, because we knew it would be discussed in this committee and we did not want to go after this until it was placed before the committee and found out what the reactions would be.

The members of the committee appear to agree with the suggestion, so we are really going to go to work on it.

The CHAIRMAN: Now, gentlemen, just before we have a motion to adjourn. I would like to say we are still on item 448, and it appears that you want that item kept open.

Mr. BADANAI: May I ask a question in regard to item 449, automobiles?

The CHAIRMAN: Could we tackle that at our next meeting?

Mr. BADANAI: I will not be here next Monday; I expect to be out of the city. It will not take very long.

Mr. ROGERS: Could we conclude 448?

The CHAIRMAN: No, just a moment.

Mr. LALONDE: Item 449, departmental vehicles, covers those vehicles which serve an all-round purpose. Most of them are ambulances, trucks and a few passenger vehicles that run a shuttle system between our district offices and the hospitals.

Mr. BADANAI: They are not vehicles furnished to employees or for members of the department?

Mr. LALONDE: In very few cases. Most of the employees use their own vehicles and receive a mileage allowance.

Mr. BADANAI: That is what I mean.

Mr. LALONDE: Oh, yes; that is, the great majority of our employees.

Mr. BADANAI: That is what I wanted to know; thank you very much.

Mr. PARIZEAU: Is it still at five cents a mile?

Mr. LALONDE: Eleven cents and thirteen cents. Those who travel only occasionally receive only four cents a mile. That is usually what the deputy minister receives, because he travels only occasionally.

The CHAIRMAN: We have made a good beginning this morning, gentlemen, and Mr. Lalonde has assured me that Mr. O'Leary and Mr. Pugh will be getting their medals.

Mr. SPEAKMAN: Also Mr. Carter; his address is the House of Commons.

The CHAIRMAN: I think perhaps we can arrange for formal presentation at our next sitting.

We will hold item 448 open and, if we have your permission, we will meet again at eleven o'clock on Monday morning. At that time it appears that we might proceed to treatment services and welfare services.

Mr. LALONDE: Are you going to take them in that order?

The CHAIRMAN: Yes, in consecutive order.

Mr. LALONDE: Very well.

The CHAIRMAN: Yes, and we might get as far as treatment services and welfare services.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament
1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

Estimates 1959-60 on the Department of Veterans Affairs

MONDAY, MARCH 2, 1959

WITNESSES:

Mr. John N. Crawford, Director General, Treatment Services, Department of Veterans Affairs; Mr. Lucien Lalonde, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister; Mr. C. F. Black, Secretary of the Department.

STANDING COMMITTEE ON VETERANS AFFAIRS

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Vice-Chairman: G. W. Montgomery, Esq.,

and Messrs.

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Beech
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Broome
Cardin
Carter
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Forgie
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Garland

Herridge
Jung
Kennedy
Lennard
Macdonald (*Kings*)
MacEwan
MacRae
Matthews
McIntosh
McWilliam
O'Leary
Ormiston
Parizeau

Peters
Pugh
Roberge
Robinson
Rogers
Speakman
Stearns
Stewart
Thomas
Webster
Weichel
Winkler

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.
MONDAY, March 2, 1959.

The Standing Committee on Veterans Affairs met at 11.00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Broome, Carter, Dinsdale, Fane, Herridge, Kennedy, Macdonald (*Kings*), MacRae, Matthews, McIntosh, Montgomery, O'Leary, Ormiston, Parizeau, Pugh, Roberge, Rogers, Speakman, Stearns, Weichel.

In attendance: The Honourable A. J. Brooks, Minister of Veterans Affairs, and Messrs. L. Lalonde, Deputy Minister; F. T. Mace, Assistant Deputy Minister, L. A. Mutch, Acting Chairman, Canadian Pension Commission, C. F. Black, Secretary of the Department, J. E. Walsh, Director of Finance, Purchasing and Stores, with his assistant Mr. A. F. Graves; Mr. J. G. Bowland, Research Adviser, Mr. G. S. Way, Chief of Information, and Dr. J. N. Crawford, Director-General, Treatment Services.

Consideration of Item 448 was continued.

Mr. Black gave answers to questions asked at the previous sitting.

Mr. Lalonde was called. He was assisted in his examination by Mr. Mace, the Deputy Minister.

Item 448 was allowed to stand.

Messrs. Pugh, O'Leary and Carter were presented with campaign stars and medals by the Minister, the Honourable A. J. Brooks.

Item 449 was considered with Mr. Lalonde and Mr. Mace under questioning. Whereafter the item was approved.

Item 450 was allowed to stand.

Item 451 was considered, with Dr. J. N. Crawford as principal witness. He was assisted in his examination by Messrs. Lalonde and Mace. Whereafter the said item was approved.

Items 452, 453, 454 and 459 were severally considered and approved.

At 12.50 o'clock p.m. the Committee adjourned to meet again at 10.30 a.m. on Thursday, March 5th, 1959.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

MONDAY, March 2, 1959.
11.00 a.m.

The CHAIRMAN: We have a quorum, gentlemen, and we can now proceed with the discussion where it was left off the other day. We were still on the first item, 448, found on page 81 of your blue book, and the details on page 549.

We have the minister with us this morning for a short time. This is a visit we did not anticipate, sir, and we are glad to have you here. When the committee rose the other morning I believe we were dealing with the subject of unclaimed medals. I do not know whether or not that subject has been concluded. We discovered there were three members of the committee among those who had not been suitably awarded medals and we hope at some time during our sittings this morning to have their medals presented.

Shall we carry on with item 448? Are there any further questions on item 448?

Mr. LALONDE: Mr. Chairman, there were two questions which were unanswered at the last meeting. I would ask Mr. Black, the departmental secretary, to provide the answers to those questions.

Mr. C. F. BLACK (*Departmental Secretary*): Gentlemen, Mr. Matthews asked how many veterans are in the United Kingdom or are serviced by the departmental district office in London, England. We are unable to maintain, of course, an exact census of the veterans in the United Kingdom, but our best estimate is 20,000 veterans for whom our London, England, office is responsible.

The other question, asked by Mr. Herridge, was in respect of the annual report of the department, published by the Queen's Printer on information provided by the department. Each year we order 500 copies of the report in English. The cost of the 500 copies of the 1957-58 report was \$1,659.67. Of his 500 copies, 354 have been distributed within the department, 32 outside the department to the various veterans organizations and the British Ministry of Pensions and one or two other agencies. The remaining 114 copies are in the departmental stores. In addition, I understand the Queen's Printer prints 200 copies for free distribution to those who are entitled to, and ask for, them, and further 100 copies are printed for sale at 25 cents a copy.

Issue of the French edition is delayed, due to the necessity for translation. The last report which was issued in French is for 1956-1957. The department orders 50 copies of which 21 have been distributed within the department, 2 outside the department, and 27 remaining in stores. The cost of these 50 copies the department was \$1,641.78, which does not include the cost of translation which is done by the bureau of translations. I believe the Queen's Printer prints an additional 40 copies of the report in French for distribution similar to that explained in respect of the English copies, and a further 35 copies for sale at 25 cents each.

Mr. McINTOSH: I have a question I would like to ask in respect of gallantry awards. I think I wrote the department for a definite answer. Should I leave this question until we arrive at that item?

The CHAIRMAN: That would be preferable.

Mr. ORMISTON: May I ask a question on rental of office machines?

The CHAIRMAN: Yes.

Mr. ORMISTON: I would like to know what type of machines are included in this item?

Mr. MACE: This is basically the rental of the I.B.M. Hollerith machines which service the whole department. I can assure you they are kept very busy. You do not purchase these machines; you cannot purchase them.

The CHAIRMAN: Are there any further questions on the first item?

Mr. CARTER: Could Mr. Lalonde give us some idea of the kind of publicity which is found necessary for the department apart from advertising? Do you have to print posters? What would be included under publicity?

Mr. LALONDE: The largest single item of expenditure under publicity is the printing of the booklets which explain in layman's language some of the acts with which the veterans are constantly concerned, such as the Veterans Land Act, the Children of War Dead (Education Assistance) Act, the War Veterans Allowance Act and the treatment regulations. We have had to reprint those at periodic intervals because of amendments to the acts or to the regulations. As far as next year is concerned, as the minister has indicated, the Veterans Land Act will be amended and we will have to reprint that booklet. We will also have to reprint the treatment booklet because of certain changes in the regulations and because of the advent of the national health insurance plan. Six thousand dollars are earmarked for that. Also the booklet on veterans insurance will have to be reprinted, as the Veterans Insurance Act was amended last fall.

We have what we call quarterly advertisements in veterans publications such as *The Legionary*, *The Advocate*, and *The Torch*. *The Fragment*, I believe, is the other one. This costs us \$4,000 a year. These advertisements—you may have seen some of them—deal entirely with up-to-date information which is provided to veterans about the different subjects covered by the charter.

Good-will advertisements cover things such as the I.O.D.E., convention programs for the Legion, of which there are a number every year, and they are estimated to cost \$1,200. So that out of the total vote the three main items are printing of booklets, the quarterly advertisements in veterans' publications and the odd publication in either veterans' magazines or convention programs.

Mr. CARTER: I was not especially interested in the amount allocated because it is only a very small amount for the total publicity program. However, I was interested in the nature of the publicity which you had in mind. Could you tell us how you obtain as wide as possible a distribution of these pamphlets? What steps do you take?

Mr. LALONDE: Every time we issue a new or amended pamphlet we distribute some through our district offices. We have a special distribution through branches of all veterans' organizations. In other words, let us say there are two thousand branches of the Legion, we will send so many copies to Dominion Command for distribution to each branch.

We also make distribution direct to certain types of persons. For instance, when we reprint the war veterans allowance booklet, we will send a copy by mail to each war veterans allowance recipient. The Veterans Land Act booklet will be distributed by the field men to those who are established under the Veterans Land Act. In the main, the distribution is through the district offices, the veterans' organizations and direct through the mails to interested persons.

Mr. CARTER: Thank you.

The CHAIRMAN: The gentlemen who were here on the committee last year will recall we followed the device of leaving the first item open until such time as we had heard from the various delegations. If it is your wish

we will follow the same procedure this year. It gives us the necessary procedural reference to hear these people. If that is the wish of the committee, perhaps we might move to item 449.

449. District Services—Administration— \$3,271,281

Mr. SPEAKMAN: I would like to ask one question under campaign stars, medals and so forth. Has the department ever considered what the cost would be of including on the medal the name and the regimental number of each recipient of these medals.

Mr. LALONDE: Do you mean to engrave the medals?

Mr. SPEAKMAN: Yes.

Mr. LALONDE: The decision not to engrave was made prior to 1949. I do not think very many of us were there at the time. I am not sure whether we have an estimate of the cost, but at that time it was decided not to do that, presumably not because of the cost but rather because of the delay. Of course, at this stage it would be impossible to call back all the medals and have them engraved.

Mr. SPEAKMAN: What I have in mind is this. At that time I think a good deal of the reluctance in applying for the medals perhaps was engendered by the fact that they were completely indistinguishable. They were just medals and had no connection with the persons who had received them. I know, speaking of my own branch, which takes in an area including over one thousand veterans all of whom are not members, that there was a very considerable feeling that the department or the government—never mind who was responsible—were being, shall we say, a little narrow in their view. I wonder if an estimate could be worked out on the cost with a view to doing it on a local basis and having the bills submitted to the department? Could you obtain for us an idea of the cost?

Mr. LALONDE: I could try.

Mr. SPEAKMAN: I would like to have it because it is something which comes up every year in our Legion branch.

Mr. STEARNS: Supposing there were three million medals and the minimum cost was about \$8 per medal, it would be \$24 million.

Mr. LALONDE: I have no idea.

Mr. STEARNS: I am guessing that. If it were \$24 million I think it would be a lot better to put it right in the department for the benefit of the veterans.

Mr. SPEAKMAN: If it runs into that amount of money it is, of course, out of the question.

Hon. ALFRED JOHNSON BROOKS (*Minister of Veterans Affairs*): It would be rather a case of locking the door after the horse is out.

Mr. MUTCH: I believe that the estimate was ten cents per letter or numeral; it was fantastic.

Mr. FANE: The medals in the first war were stamped; they were not engraved. They were stamped on the outside edge. That should not cost as much as engraving.

Mr. WEICHEL: Are these medals available through the army and navy stores?

Mr. LALONDE: They are not supposed to be.

Mr. WEICHEL: Every once in a while we hear of someone wearing a medal which he is not entitled.

Mr. LALONDE: I suppose some medals have found their way into the pawnshops. Even if they had been engraved I do not think it would have made any

difference. I have no evidence, but I am told the same thing happened after World War I.

Mr. HERRIDGE: That is quite correct. I have seen it.

Mr. O'LEARY: Would they have any value in a pawnshop?

Mr. LALONDE: They have a value of over a dollar, and in the pawnshop they would probably have a value of 25 cents. That is certainly enough for a small meal.

Mr. MACDONALD (*Kings*): The other day you mentioned you were sending out these medals unregistered and it has occurred to me that sometimes they would get in the hands of the wrong persons, since they do not have to sign anything and could keep them.

Mr. BROOKS: I think it is quite a serious offence to wear a medal to which you are not entitled.

Mr. LALONDE: The other alternative, Mr. Macdonald, is to keep them in store in the war service records vaults. I think if we achieve only what we think we are achieving, and that is a distribution of about 75 per cent to the right persons we are doing a lot better than if we just leave them there. I think the cases of abuse of the use of medals are so few that this is not really one of the main considerations in the distribution.

The CHAIRMAN: Gentlemen, the photographer has arrived. I think it would be advisable if we had the little ceremony recorded for posterity, particularly in view of the fact that the Minister of Veterans Affairs himself is going to make the presentation. The three members of the committee are Messrs. Carter, Pugh and O'Leary. That creates a nice distribution from a regional standpoint and otherwise.

I think, Mr. Minister, on this occasion you might like to say a few appropriate words.

Mr. BROOKS: Mr. Chairman, I might say that this is rather a different assignment from what I usually have. If I am to say a few words, I do not know just what I should say. Perhaps I should reprimand these old soldiers for a little neglect in duty in not having applied for these medals some time ago. However, I feel more inclined to compliment and congratulate them, with the hope that their example will be followed by the many thousands of others who have not applied for medals, because it does seem to me a singular situation that we have something like three or four hundred thousands persons who have not applied for medals.

I know there is a tendency among young soldiers returning from service to say, "What is a medal? The war is over; we won't bother about them." But when we are older and have children and grand-children we realize perhaps the medals have more significance and value than we first thought.

I think we all remember from our school days the passage in Goldsmith's "Deserted Village" where he tells the old soldier who shouldered his crutch and showed how wars were won. We can take these medals and show our grandchildren how we won the war.

It gives me very great pleasure indeed to present these medals to these very distinguished veterans.

Then followed the presentation of medals by the Honourable Mr. Brooks to Messrs Carter, O'Leary and Pugh.

The CHAIRMAN: Gentlemen, may we resume our deliberations.

I think this must mark a unique occasion in the veterans affairs committee. Perhaps Mr. Mutch could indicate whether there ever has been an informal investiture before.

Mr. MUTCH: I have been on committees since 1936 and I have not seen one.

Mr. SPEAKMAN: Then we have established a precedent.

The CHAIRMAN: Yes, we have established a precedent in a further way this morning.

Could we proceed now to item 449, district services—administration. The details are on page 551.

Mr. Mace can assist with any questions you might have on item 449.

ADMINISTRATION

449. District Services—Administration \$3,271,281

Mr. HERRIDGE: Why for the first time apparently do we have this item of \$1,750 in regard to unemployment insurance contributions?

Mr. F. T. MACE (*Assistant Deputy Minister*): Mr. Herridge, this is the government's share as an employer in payment of unemployment insurance contributions in respect to prevailing rate employees. It had previously been the practice, for the Department of Finance to bear the cost of this expense; but, I think, this year for the first time they are charging the departments and making them pay their own expenses. Is that clear, sir?

Mr. HERRIDGE: Yes. I was wondering; I have never seen it before.

Mr. MACE: No. You will notice this appears as an item in a number of the votes for the first time in 1959-60.

The CHAIRMAN: Have we completed our discussion on item 449?

Mr. ORMISTON: Mr. Chairman, with regard to repairs and upkeep of equipment, what percentage of the actual expenditure is expended on repairs; may we have an idea.

Mr. MACE: The repairs, arising from accidents sir, are estimated to be about \$2,000 in 1959-60. The bulk of the expenditure is for the normal maintenance and upkeep of the vehicles.

Mr. ORMISTON: The reason I asked is that in most companies which maintain equipment they keep their repairs to a certain percentage of the capital cost. If the percentage goes above 10 per cent or 15 per cent they realize that there is probably faulty maintenance. I would like to obtain the figure which the department maintains is a reasonable one.

Mr. MACE: I do not think, sir, quite frankly that we have any set percentage. The whole matter of government motor vehicles is controlled through the government motor vehicle committee. They have set a standard of roughly 60,000 miles as the minimum mileage at which you might consider replacing the vehicles. This, of course, is subject to how the vehicle is running. Many cars run well over 60,000 miles and a great number break down well before that. We leave the control of our vehicles in the hands of our engineering division, and if they see a car is breaking down quite frequently, involving major repairs, they refer it back to the district and suggest they consider its replacement. I am not aware however of any specific percentage we use.

Mr. McINTOSH: You still have not any idea of the unexpended portion of last year's estimate.

Mr. MACE: In this particular category?

Mr. McINTOSH: In all of them.

Mr. MACE: If you will look at the statement you have attached to the folder distributed, on the inside you will see the estimated expenditures for 1958-59 compared with our appropriation. So the difference is the unexpended balance. Does that answer your question Mr. McIntosh?

Mr. McINTOSH: You are not answering my question. The latest forecast of expenditures let us say, for example, \$5,900, under "Sundries"—item 448,

your appropriation is \$5,200; in other words, you spent \$700 more than was budgeted for.

Mr. MACE: In theory, that is true; and what we have to do is submit to treasury board a transfer between allotment in order to transfer \$700 from some other primary which is under expended.

Mr. McINTOSH: Other items?

Mr. MACE: Within that vote, of course.

Mr. SPEAKMAN: I notice under this and the other items there is an item for allowances, and it varies in each case. Will you tell us what these allowances are?

Mr. MACE: In the case of this particular vote the major items of expense are in respect to living allowances of classified employees in our London, England office. As you know, this is controlled through treasury board and everyone serving abroad qualifies for certain allowances. Of the \$11,000, \$10,300 is for that particular item.

I might as well answer your question completely. Of course, in this vote there are other allowances. We have an allowance by way of an honorarium to certain members of our staff who act as fire-fighters in their spare time. In other words, these persons are on call and they are paid a \$100 a year honorarium. There are also terminable allowances where an employee may have assumed duties beyond what is required in his present classification. This arrangement may be only temporary and, therefore, instead of reclassifying him to a higher grade for a few months and then downgrading him, you compensate him by a payment of a terminable allowance.

We also have another allowance called "in lieu of board and quarters". These are in respect to the interns in Dr. Crawford's vote. These are the types of allowances which appear in the different votes.

Mr. ROGERS: I see that you are still buying departmental cars. This has been going on for eight or nine years. Is this dropping gradually, or why do we buy departmental cars?

Mr. MACE: When we say, "cars", we refer to passenger cars, station wagons, ambulances, light trucks, heavy trucks and buses. As a matter of fact, we do not buy buses anymore, but we do require a large number of vehicles, mainly in association with the operations of the institutions.

Mr. ROGERS: So there are not very many departmental cars?

Mr. MACE: The number of vehicles operated by the department as of April 1, 1958 is 169, of which 74 were actual passenger cars; and this is what you are referring to, are you not?

Mr. ROGERS: Yes.

Mr. MACE: There are a number of our district offices—Vancouver, for instance—where our office is downtown, and we have Shaughnessy and George Derby hospitals. Hence, there is quite a bit of interdistrict travel which is conveniently done by passenger cars.

I think a number of these cars are used by people who are travelling continuously, but I think by far the greater portion of our travel where cars are involved is done by the privately-owned motor car of the employee, and he is paid a mileage allowance.

Mr. LALONDE: As a matter of policy we supply a departmental car—to a welfare officer, for instance—to do his travelling only when he says that he cannot afford to buy one. Whenever our travelling officials—and by that I mean the persons who do a fair amount of travelling—say they have a car or are capable of buying one, we place them on a mileage allowance. It is not our policy to buy more departmental cars, but we do need some passenger cars to

conduct our shuttle service between district offices and institutions, and this is the principle Mr. Mace has just referred to.

Mr. ROGER: I can see that; but suppose you were hiring a welfare officer today would one of the stipulations be that he supply a car?

Mr. LALONDE: It would not be a stipulation. We would not even consider that when hiring him; we would hire him on his merits. Whether he has a car or not makes no difference because he would have to go through a competition anyway. If he is the successful candidate, we would not want to disbar him because he does not have a car. However, once he is hired we put it to him: you will have to do a certain amount of travelling; can you provide a car and be placed on a mileage allowance? If he says yes, that is the answer; but if he says he cannot buy a car, then we will provide him with a departmental vehicle.

Mr. HERRIDGE: What percentage of the men are unable to buy a car or say they are unable to buy a car?

Mr. MACE: I would not think many of them, sir. As you know, the position of a veterans welfare officer is a reasonably senior classification. I think most of them would drive cars. I am not too familiar with the situation. This condition arises in the districts and I am not so familiar with the circumstances that I could give you a very accurate answer but I believe when Mr. Parliament is before the committee he will be able to give you a better idea of the situation.

Mr. LALONDE: I think the answer to your question, Mr. Herridge, is in the amount which is shown in the estimates under the next vote, No. 450—travelling expenses—staff—\$165,000 a year. If you compare that with the travelling expenses for head office, it is only \$27,000. The bulk of the \$165,000 shown for travelling expenses in the welfare services vote is made up of mileage allowance. So that gives you an idea of the volume.

Mr. ORMISTON: Is there any variation in the mileage allowance?

Mr. MACE: In the department?

Mr. ORMISTON: Yes.

Mr. MACE: No, it follows the travelling regulations which are laid down by treasury board.

Mr. ORMISTON: The reason I asked was that I was wondering if a person using his car in southern Ontario would receive the same allowance as someone in northern Saskatchewan?

Mr. MACE: Yes.

Mr. MACDONALD (*Kings*): Would the bulk of these vehicles be used in connection with the administration of hospitals?

Mr. LALONDE: Yes, the bulk of the departmental vehicles would be used for that purpose.

Mr. MACDONALD (*Kings*): They would require a fair number of vehicles to administer a hospital.

Mr. LALONDE: Yes.

Mr. CARTER: What mileage rate do you pay for welfare officers?

Mr. MACE: The rates approved by the regulations are 4 cents a mile for occasional travel. This is where a person travels occasionally by means of his own car where other means of public transportation are convenient. But for the man with a continuous travel status, he will be reimbursed at the rate of 13 cents a mile, subject to his carrying certain levels of insurance; and I think this is \$100,000 comprehensive coverage. The rate drops to 11 cents a mile after a certain mileage. I think it is after 20,000 miles but I am not too sure.

Mr. ROGERS: Is it not after 5,000 miles?

Mr. SPEAKMAN: Does that apply to every branch of the Department of Veterans Affairs?

Mr. MACE: Yes, this applies. I am sorry, I gave you the wrong figure before; it is 10 and 11—11 cents for the first 5,000 miles and 10 cents from there on. I thought this had been changed.

Mr. ROGERS: I think it has.

Mr. MACE: Yes, I think the figures I gave first are correct. I will double check this and confirm it this afternoon.

Mr. CARTER: Are the rates paid by the Department of Veterans Affairs the same as those paid by other federal departments?

Mr. LALONDE: They have to be; they are laid down by treasury board.

Mr. MACE: Travelling regulations apply to all government departments, as far as I know.

Mr. CARTER: Would you not say in some provinces that the welfare officer travels at a loss under those rates? I am thinking of Mr. Donald Gordon's reference to compensatory rates.

Mr. LALONDE: We accept the principle that travelling costs more in some areas of the country than in others. How much more is pretty difficult to say. It is our experience that with the new rates the variation is not in the amount of money the individual loses; it is in the amount of compensation that he gets over and above his expenses.

In other words, if he is paid the new rate, will he make a profit of two cents a mile, three cents a mile, or only one cent a mile? We do not know that. But we do not think that in any area they are losing money.

Mr. CARTER: Well, apparently if the people in the provinces where travelling conditions are worse—if they can break even, then the other fellows must be making a little money out of it.

Mr. LALONDE: This goes back to the system of paying civil servants across Canada. All classified civil servants get the same amount of money for the same classification, whether they happen to live in Vancouver or in Newfoundland.

Some people will say that as far as the actual compensation goes, it costs them more to live in British Columbia than it does, for example, in Ontario. Yet the system must be based on the same salary levels.

Mr. HERRIDGE: It must be working fairly satisfactorily. Personally, I have not heard many complaints. In fact, I have heard fellows say that they could get along on it.

Mr. LALONDE: There were complaints some years ago, but there have been no complaints since the rates were changed.

Mr. HERRIDGE: I can understand that.

Mr. ROGERS: I think they get consideration if they have a car of their own, and they can do some driving. In some areas where the district is concentrated, they do not get as much mileage, but they probably have better roads. On the other hand, in Saskatchewan I have found that they drive more miles.

Mr. LALONDE: That is right.

Mr. ROGERS: So I think it evens out.

Mr. MACE: To the best of my knowledge we have never had a refusal on the part of any employee to operate his car at these rates. Therefore I can only assume that everybody is satisfied.

Mr. HERRIDGE: Since they were changed.

The CHAIRMAN: Are we finished with item 449?

Mr. MONTGOMERY: I notice there are 17 solicitors employed in connection with these districts. What are these for?

Mr. MACE: These are the staffs of our legal services located in the districts—I believe, mostly in the larger districts.

In many cases these solicitors carry on the joint legal requirements of the Veterans Land Act and other branches of the department.

The deputy minister is a lawyer and is very familiar with this question. Maybe he would like to supplement what I have said.

Mr. MONTGOMERY: I have noticed that there are other solicitors for the veterans bureau.

Mr. LALONDE: There are no solicitors under the Veterans Land Act vote now. They all operate under the district administration vote, and in all cases they work for other branches of the department except for the veterans bureau, because solicitors working for the veterans bureau are specialists who are working on pension law. The other solicitors—the 17 mentioned—are general practitioners.

Mr. HERRIDGE: Are all these solicitors veterans, and are they all qualified according to provincial and Canadian law?

Mr. LALONDE: They are, sir. I presume you were referring to the 17 solicitors mentioned here, Mr. Herridge?

Mr. HERRIDGE: Yes.

Mr. LALONDE: That is right.

Item 449 agreed to.

450. Veterans Welfare Services (including the former Veterans Insurance Branch) \$3,540,739

The CHAIRMAN: I wonder if we might crave the indulgence of the members of the committee and permit this item to stand this morning.

We have with us today Dr. Crawford, chief director of treatment services. Unfortunately he cannot be with us next week but if we could have your co-operation, we might now proceed to discuss item 451 and permit item 450 to stand for the moment.

Treatment Services—

451. Operation of Hospitals and Administration, including authority for payments, during the current and subsequent fiscal years, to Canteen Funds of departmental hospitals in amounts equal to the amounts of commissions received by or on behalf of Her Majesty from pay telephones in such hospitals \$46,264,751

The CHAIRMAN: We introduced Dr. Crawford last year when he made a lengthy statement on the activities of this branch.

Dr. Crawford is a distinguished veteran in his own right—a Hong Kong veteran. He once had the distinction of living in the Brandon-Souris constituency many long years ago. He is well qualified to speak for his branch.

Mr. BROOME: He must still have some relatives living there.

Dr. J. N. CRAWFORD, (*Director-General, Treatment Services, Department of Veterans Affairs*): Mr. Chairman, and members of the committee: thank you. As far as I know, there are none of my relatives still living at Brandon.

I think it is unnecessary again to advise this group of what we do in the treatment branch, what our tasks are, and how we do them.

But very briefly, you know our responsibility is for the provision of hospitalization and/or treatment to veterans, pensioned veterans, for their pensionable disabilities; to veterans who are recipients of the war veterans allowance; to veterans with reduced income, who pay for treatment under

a sliding scale set by the treasury board; and to any veteran, provided we have the beds available—and provided that the total cost of treatment is paid for by him or by some other agency.

We also administer in our branch certain treatment and other allowances. We also supply treatment to certain wards of the federal government at the request and expense of the appropriate department, and in special cases to individuals at the request and expense of some responsible agency when suitable facilities are not otherwise available, and when it is in the public interest to do so.

We carry on these activities in hospitals owned and operated by the department, or in pavilions or special wards in connection with community hospitals, or thirdly in community hospitals under the doctor-of-choice plan.

We know that the standard of treatment we provide is good and we believe that our operations are conducted efficiently. You will be inquiring into this matter of efficiency when you examine the details of our estimates for 1959-60.

You are being asked to approve estimates of \$55,489,366 for the operation of treatment services for the next fiscal year.

This represents a decrease of approximately \$3 million from the amount requested for similar operations last year. In the face of the rising costs of labour and supplies, this saving has been brought about by an anticipated increase in revenue due to participation in the federal-provincial hospitalization plans in those provinces where such plans exist.

Our total estimate is made up of five major items: operation of hospitals and administration, \$46,264,751; medical research and education, \$350,000; hospital construction and maintenance, \$4,811,370; prosthetic services, which are now operated through the branch, \$1,211,245; treatment and other allowances, \$2,850,000.

In the sum requested for operation of hospitals and administration, the amount of \$32,632,487 is requested for salaries and wages.

The total patient load of the department has remained relatively constant in numbers for the past three years, but the pattern of the load has changed considerably.

As the patient population becomes older and more feeble, more and more in the way of nursing care is required. Diagnostic facilities have become more complex and require more people of different scientific disciplines to carry them out. I am referring here to the tremendous upsurge in interest and the requirements for bio-chemical investigations in our hospitals. They are very complicated manoeuvres.

The onset of the federal-provincial hospitalization plan has created a requirement for a somewhat larger clerical staff in our hospitals. In spite of all this, the total increase in personnel of the treatment branch is only 58 over last year.

These 58 positions have been obtained by deleting some less essential positions, and by obtaining positions from other branches in the department.

The overall strength of the department as a whole remains at last year's level. The increase in the salaries object has been brought about largely by reclassifications and statutory increases.

Now, without a doubt, members of the committee will wish to participate in a detailed examination of our estimates for next year.

Mr. SPEAKMAN: Mr. Chairman, while it is still fresh in my mind: there was a question which I asked the deputy minister the other day, and which I was asked to defer, in order to address it to Dr. Crawford.

I am not clear as to the reason for there not being any sub-district office in Whitehorse. I would like to know what the patient load is there, and the

estimated cost of treatment services, for one thing, in the Whitehorse area in the Yukon.

Dr. CRAWFORD: Well, I can only speak for the treatment services, and I cannot tell you the detailed cost of the treatment service for the Yukon, for the simple fact that it is not a sub-district. The Yukon is part of the Vancouver district for administrative purposes, and the cost of treatment activity up there is absorbed in the Vancouver operation.

However, representations have been made, as you know, that something more was required in the Yukon, and that with respect to treatment services considerably more was required. I think there is a place here for something more than we have. But how much more?

One difficulty is, first of all, the fact that by numbers, the patients that we handle up there do not create a patient load of much more than two or three at any one time, whether they are in the Yukon, or in Vancouver, or in Edmonton. But the main difficulty, as has been explained to me, is that there is poor communication between the extremity in Whitehorse and the central authorities, be they in Edmonton or in Vancouver. This is doubtless true.

I therefore propose to engage the services of a doctor in Whitehorse to act as a treatment service representative. He will be the administrative medical officer at the new hospital which is going up there. I have his agreement to act in this way: I have the unofficial agreement of his employers, the Department of National Health and Welfare; and I expect any day now to have the official agreement of the Department of National Health and Welfare to appoint him as the D.V.A. medical representative in Whitehorse.

This will be followed by a briefing session in which we will bring him up to date on veterans treatment regulations and the rights of various groups of veterans for treatment.

I anticipate that this appointment—the appointment of Dr. McKinnon—will greatly facilitate treatment arrangements, since there will be a man in Whitehorse who will be my representative there.

He can arrange for treatment either locally in Whitehorse in the new hospital under the doctor-of-choice plan, or make the necessary arrangements for transfer of the veteran to Vancouver or Edmonton as the case may be, doing what is most convenient, and knowing that the patient will be met, received and handled expeditiously when he arrives.

I think this relatively simple manoeuvre will have a beneficial effect on the treatment situation in Whitehorse. But it will not do very much, I admit, for the man who is out in the creeks. I do not have any idea how we could provide a really 100 per cent adequate coverage for the Yukon as a whole. I think we can establish a treatment authority in Whitehorse which will go a long way to solve the problem up there.

Mr. SPEAKMAN: I have travelled by airlift, both with service and civilian aircraft, and it is not the best means of travel for patients, particularly a seriously ill patient, I can assure you.

I shall go back to the deputy minister now. That takes care of the treatment service; but will the doctor who is going to be at the head of the hospital have the time to take care of other veterans problems, apart from treatment? I mean Veterans' Land Act cases, and War Veteran Allowance cases?

Mr. LALONDE: I understand that there is a Veterans' Land Act representative who is responsible for the Yukon. But whether they have a representative in Whitehorse or elsewhere, I do not know. You will never eliminate the travelling that a veteran, living in the Yukon, outside of Whitehorse, will still have to do to get in touch with our chap.

Otherwise our employee is going to have to travel to the Yukon to meet veterans; whether the welfare officer travels out from Edmonton or Vancouver

or Whitehorse, it will be exactly the same. But you must remember one principle that has to remain in there: that is, that no matter where our representative is located, eventually he is going to have to communicate with one of the district offices in order to get a solution to the various problems which he encounters.

In other words, if it is a war veterans allowance problem, he will have to report to the district authority, either in Vancouver or in Edmonton to get the "position" of the application for the war veterans allowance. So that this type of problem would not be served better by having a man stationed in Whitehorse, than by having one stationed in Edmonton, who would fly to Whitehorse every month or so.

There is not sufficient overall in any one city in the Yukon to warrant placing a man in each city. That man could never keep himself occupied.

As I told you the other day, we are studying this matter, and as Dr. Crawford indicated, we have already had discussions on it. We have had a survey made by the regional administrator in Vancouver, and the regional administrator will be coming down again in May at which time we intend to seek a proper solution.

But at first glance I would say that the establishment of a sub-district office in Whitehorse would only solve the Whitehorse problem. It would not solve any of the others.

MR. SPEAKMAN: I am going back a little further to say that away back in 1955 when I lived up there, the D.V.A. representative came up periodically; and during the time between his visits cases accumulated until his arrival.

The same thing applies to the Veterans' Land Act. Periodically the junior chief inspector came up from Edmonton, and between times cases accumulated.

I think that our veterans in the Yukon are entitled to faster service than that. Since 1955 the population has increased rather fast, and the bulk of that increase has taken place in the Yukon. It is my belief that a sub-district office in Whitehorse could be served by a small staff, and one of the staff could be equipped with means of transportation so that he could serve the whole territory.

When you consider the fact that the return air fare is \$142.80 to either Edmonton or Vancouver, that these people send officials from either Edmonton or Vancouver, and that they may make several trips a year, we would maintain a sub-district office at not too great an additional expense and provide the services to which these veterans are entitled.

MR. LALONDE: We agree with you in principle. As Doctor Crawford has said, are trying to improve our service. Where we disagree is that we do not think the idea of a subdistrict office is the answer. We are attempting to find another answer which will provide this service without having the duplication of setting up a complete subdistrict office with a lot of clerical staff which we do not feel can be justified. In other words, there must be a more economical way of doing it than having to establish a subdistrict office. That is what we are looking at now.

MR. SPEAKMAN: Clearly there must be also a more economical way than the way we are doing it, which will provide better service.

MR. LALONDE: I am not sure of that. I agree with you as far as Whitehorse is concerned. However, I think the other areas get as good service now as they would get if we had an official stationed permanently in Whitehorse.

We have increased the number of our visits to the Yukon following this study. The welfare officers now go up more often than previously. There is a period I believe—and you would know more about this than I would—when all communications are pretty well at a standstill and there is no use in sending

a welfare officer at that time. But in the other periods when communications are open, we want to double at least our activities up there.

However, taking into account both the desire to give better service and the necessity for doing it, I am not convinced yet, as to what is the best way of doing it without spending money unnecessarily.

Mr. BROOME: May I ask a question of Doctor Crawford?

The CHAIRMAN: I have a signal from over here. Is your question on this subject?

Mr. BROOME: No.

Mr. PUGH: Carrying on after Mr. Speakman, could we have a figure giving the number of veterans in the Yukon and the various concentrations which might be known to the department?

Dr. CRAWFORD: I think there are 1,600 veterans in the Yukon.

Mr. PUGH: When was this figure obtained?

Mr. J. G. BOWLAND (*Research Adviser, Department of Veterans Affairs*): It does not provide for emigration after 1951. It is just for deaths since 1951.

Mr. LALONDE: That is the date of the last census?

Mr. BOWLAND: Two hundred of those are World War I.

Mr. PUGH: Would you have any idea of the concentration in Whitehorse or any other centre?

Mr. BOWLAND: We can obtain that for you.

Mr. LALONDE: We have a file on this, and will look it up.

Mr. McINTOSH: Dr. Crawford made a statement that there was a \$3 million decrease in the estimates. Actually, there is a \$2 million increase.

Dr. CRAWFORD: I was speaking only of the vote for operation and administration of hospitals.

Mr. McINTOSH: This increase is from 1956 to 1958.

Dr. CRAWFORD: The amount is \$46,264,751. That is what we are asking for this year. Last year we asked for \$49,545,000.

Mr. McINTOSH: What about your expenses?

Dr. CRAWFORD: Our expenses are greater. I explained we had these rising costs of wages and materials which we will explain later. However, our anticipated recoveries are greater under the hospitalization plan.

Mr. McINTOSH: I will not ask you questions on all these. However, I would like to know about this one which seems to have increased over 100 per cent. that is, the hospital insurance premiums which are up from \$300,000 to \$650,000.

Dr. CRAWFORD: There is a simple answer. The hospital insurance scheme in the provinces became effective in most provinces last year either on the first of July, or on the first of January this year. Therefore in the fiscal year 1958-1959, we had premiums in some provinces for nine months and in some for only three months for which to estimate. In 1959-1960, we will have premiums for twelve months, and in more provinces. The increase is mainly because of the fact that we are now estimating for a twelve-month year, whereas last year our expenditures were in some instances for nine months and in other instances for three months.

Mr. McINTOSH: Is there any difference in the payment of premiums as between provinces. I have knowledge of only my own province of Saskatchewan. The majority of the people pay their own premiums. Do you pay it twice?

Dr. CRAWFORD: No. These are paid only in respect of veteran recipients of the war veterans allowance as single persons. This is true in every province.

We pay premiums in Saskatchewan, Manitoba, Ontario and New Brunswick. There is no duplication. The point of this thing is, that if we did not cover the veteran recipient of war veterans allowance he would be eligible for hospital coverage as an indigent, at the expense of the community. We are anxious to avoid this label in respect of a W.V.A. recipient, and therefore we pay the premium on his behalf; but it is paid only once and paid by us.

Mr. McINTOSH: The other question I have is in respect of the cost of telegrams and telephones which always seems to be spiralling.

Dr. CRAWFORD: Yes. There has been a ten per cent increase in the Bell rates and a twelve per cent increase in one of the other systems we use. That has been reflected in the increased estimate.

Mr. HERRIDGE: Mr. Chairman, before I ask Dr. Crawford a question I wish, on behalf of the veterans in my constituency to express their appreciation of the excellent service rendered by Shaughnessy hospital. There are increasing numbers of first world war veterans who tell me how much they appreciate the comfort they receive in the hospital, and especially in the "plumbing" division.

A veteran wrote me to the effect that he, a war veterans allowance recipient, was called into Shaughnessy hospital, examined and told he required an operation. Owing to the fact that the ward in which he would be put was full he was sent back by air to the Kootenay to await recall at a later date. The veteran in question did not complain. He appreciates very much what has been done. However, I wonder if Dr. Crawford could find out whether or not that operation was delayed on account of any occupancy by someone other than a veteran of any bed in the ward in which he was supposed to be put.

Dr. CRAWFORD: I can inquire. One has to know his name and particulars.

Mr. HERRIDGE: I can give you that; it was quite recent.

Dr. CRAWFORD: I feel it is unlikely it is so. If there was not urgency in respect of this person's operation—and I assume this was also in the plumbing division—it may well be they felt it was preferable from the point of view of the veteran to postpone this until proper facilities were available. Certainly, had there been any requirement for an operation at the specific time, even if the bed had been occupied by someone other than a veteran, the non-veteran would have been moved to another ward. I think it is highly unlikely that this has happened because I have been assured many times by Shaughnessy and other hospitals that our activity in respect of non-veterans—and we can give you some figures on this if you wish—has never interfered with the treatment of an entitled veteran.

Mr. LALONDE: I hope there is a good reason, because I do not take very kindly to the thought that we had to transport him by air twice for the same operation.

Mr. HERRIDGE: He is not complaining.

Mr. LALONDE: But I would.

Dr. CRAWFORD: You will be interested in these figures. Leaving aside members of the armed forces our activities in respect of other government departments represent 0.9 per cent of our patient census. Less than 1 per cent of our patient load is created by other government departments, apart from the Department of National Defence, and 0.4 per cent is made up of cases we handle for other responsible agencies such as the Canadian paraplegic association. It is a very small fraction of our total activity as you can see.

Mr. BROOME: Before I ask Dr. Crawford a couple of questions on the details, I am wondering if he could inform the committee as to the total number of beds this year and the increase which you anticipate during the year?

Dr. CRAWFORD: We do not expect very much by way of an increase. Our hospital construction program has been a replacement program on pretty much of a bed-for-bed basis. We do not intend any increase in this. Mr. Bowland has supplied the recent rating figures which are as follows: active treatment hospitals, 8,425; active convalescent facilities, 385; domiciliary care in veterans homes in Saskatoon and Edmonton, 135; total bed capacity of 8,945.

Mr. BROOME: I am wondering why the Canadian Corps of Commissionaires service has gone up from \$620,000 to \$670,000? That is a \$50,000 increase in that item. Also there is a rather heavy increase in materials and supplies. It was underestimated last year. You had to drag it quite a bit. It is still considerably above what the forecast will be for this coming year.

Dr. CRAWFORD: On your first question, I do not think actually there are more people employed as commissionaires than we had previously. The number of hours and the number of posts remains pretty much as it was last year. However, the hourly rate for commissionaires has gone up. This increase is a reflection of the increased pay for commissionaires.

Mr. BROOME: But that is not reflected in the previous items passed in respect of commissionaires. I do not want to go back, but in item 449 it was \$52,000 as against \$53,000, and in item 448, \$37,000 as against \$34,000.

Mr. MACE: In respect of item 449, the reason for the decrease was that in Edmonton our district office was moved into the new federal building.

Mr. BROOME: That explains it.

Dr. CRAWFORD: On materials and supplies this covers in the main two items, drugs,—medical supplies—and food.

The figures on drug costs are extremely interesting and rather shaking. If our drug index cost in 1949 is taken as 100, our drug index cost now is just over 190. That is, in a matter of ten years costs of drugs have increased 90 per cent. I think this explains, in the main, the increase in drugs. There are additionally some more expensive drugs. When a new drug comes on the market for the first year or so it is notably expensive and the cost comes down a bit when it gets into mass production. We seize on these things as soon as their value has been established and we buy them irrespective of the cost. We are getting in the forefront of the cost in that way.

Food costs have gone up. The index for raw food has increased somewhat also, but in the main the increase in the food cost is in the freight rates, which have increased. We have to transport this food, sometimes long distances. These two items account for this increase; it is increased cost and increased transportation.

As far as unemployment insurance is concerned the explanation is that we are dealing with people who are prevailing rate employees in our hospitals system and we are now paying their unemployment insurance premiums.

Mr. CARTER: I was wondering whether or not Dr. Crawford or the deputy minister can tell us what progress, if any, is being made toward the provision of a hospital for veterans in Newfoundland?

Dr. CRAWFORD: We will come to that later under item 453.

The CHAIRMAN: We have a few members indicating a desire to ask a question on this item. Perhaps we might complete our consideration on this item first.

Mr. O'LEARY: Dr. Crawford, in speaking of the premiums paid for recipients of war veterans allowance, in Nova Scotia where we have a non-premium plan, is there any consideration given that?

Dr. CRAWFORD: No. Not that there has been any lack of consideration. We have studied this thoroughly. However, we are to some extent under the

direction of the treasury board in this matter. We are only paying specifically for the veteran recipient of war veterans allowance in the premium provinces. I would guess from what I have seen of this operation that before long most of these premium provinces may revert to a sales tax method of administration, because it is generally more satisfactory as evidenced by the British Columbia experience. If and when this comes about, the situation will be equalized. Until it does we are only paying the premium out-of-pocket expenses, which are known and foreseeable. I do not know how we would try to make an adjustment where the plan is financed through a sales tax.

MR. MONTGOMERY: This only covers the veteran himself. If he has a wife and family he has to pay that in addition?

DR. CRAWFORD: Yes. As you know we have never taken treatment responsibility for the dependents of a war veterans allowance recipient.

MR. MONTGOMERY: I have several letters on that. In all the municipalities in New Brunswick it really has not got going. I suppose it is due to the fact that the people do not know just yet what will happen; but where the municipality collects the premium there ought to be some way of working it out.

DR. CRAWFORD: The way we worked it out, for example in Manitoba, is a good illustration. We notify Manitoba of the fact that from a municipality we are paying the premium on behalf of, let us say, "John Smith" who is a married man. He has the opportunity of paying the difference between the family premium and the single premium; and in this way he has his family covered. There is a good liaison.

MR. STEARNS: Mr. Chairman, I would like to ask Dr. Crawford a question. If my question does not come in the proper place, he does not have to answer it at this time. Dr. Crawford, I have been wondering if, excluding war wounds, the general state of health of the Hong Kong survivors is remarkably different from the present state of health of the survivors of the European theatre of war?

DR. CRAWFORD: Are you confining your definition of war wounds to that received from a bullet or a bayonet?

MR. STEARNS: I was thinking more in terms of therapy. I am wondering about the general state of health of that force as compared to the European force.

DR. CRAWFORD: There was a tremendous morbidity incidence rate among the Hong Kong people. It was brought about in the main by nutritional deficiencies. In many, this had the result of producing permanent changes in the central nervous system. These have been demonstrated in pathological sections. It did not affect everybody equally. I think the people who came back from Hong Kong in very bad shape are still in pretty bad shape. They have not improved as much as we hoped they might. They have not worsened very much. Those who were more fortunate and for some reason or another escaped the onslaught of this thing should get along, by and large, as well as any other group of veterans.

I got a little emotional about this every now and again, because I would hate to think Hong Kong veterans were given any preferential treatment merely because they were Hong Kong veterans. Once you begin to classify these people in a separate category as if they were lepers, I think you do them a very grave disservice. I have been very happy with the attitude of the Canadian pension commission in treating these fellows on the basis of what is wrong with them as individuals. I think they have been eminently fair in the majority of cases.

MR. ORRISTON: I was wondering whether Dr. Crawford would care to answer—

The CHAIRMAN: One moment, please; have you a question on the same subject?

Mr. KENNEDY: No, I was going back to the other one.

The CHAIRMAN: Carry on, Mr. Ormiston.

Mr. ORMISTON: I assume when there is a D.V.A. ward in a general hospital that we have to pay the rental for floor space, or something of that nature, besides paying for the individual care of the veteran. Is there any consideration given when the ward is occupied by other than veterans, in the over-all rental picture?

Dr. CRAWFORD: In general, sir, it would work out something like this: we have given the parent hospital, if we could call it that, some sort of subsidy or grant to assist it in building these beds or to obtain a priority use on a number of beds. That is just a straight cash payment. We will say, for example, for this amount of money we have the priority use of 50, 75, 100 or whatever number of beds in the hospital. That is done with; and finished. Then, for every veteran who goes in we pay the ordinary per diem rate to the hospital.

If we have priority use on 100 beds and there are only 70 veterans in the hospital, the hospital will naturally use up the other 30 beds. We do not pay for them; that is somebody else's business. We pay only for what we use. If, however, we find that we have five or ten veterans who need to be admitted to the hospital and they are still within our priority quota, it is written in our agreement that in every one of those hospitals we have the use of those beds and they will have to move whoever is in them to allow us the use of our beds.

Mr. ROGERS: Dr. Crawford, I would like to follow up the question in regard to the Hong Kong veterans. I am under the impression that the Hong Kong veteran, or prisoner of war, is unique in that he was subjected to forced labour; is that right?

Dr. CRAWFORD: Well, this is a little bit apart from the treatment services: I am wearing two hats here.

Mr. ROGERS: But it does affect the Hong Kong veteran.

Dr. CRAWFORD: It does, and they have been given, under the war claims commission, cash awards as compensation for some of this. This is in addition to any pension they receive from the Canadian pension Commission. I admit they are a special group, and for obvious reasons they are very close to my heart. But I think you are doing these lads and me considerable disservice when you begin to look at them from the point of view of pity and compassion, rather than from what is wrong. This is purely a personal view.

Frequently I think the best way to handle a man who is feeling pretty sorry for himself—and we have all felt sorry for ourselves—is to give him a bowler hat and say: “go out and get a job—find yourself some work.” He will either find it and successfully re-establish himself or he will break down. We should pick up these fellows who cannot make it and concentrate on their rehabilitation. However, that is a somewhat revolutionary sort of thought.

Mr. ROGERS: I am not saying all the people. I come up against this argument quite often and I wanted to get your thoughts on the matter.

Dr. CRAWFORD: I think this matter can be left as it is, with the Canadian pension commission taking a most generous view of a man's complaint where he has this war background. On the whole I would say they assess him generously. On the treatment services side, we have adopted a rather naive attitude toward this and say, “all right” with regard to these men, because we do not know what the long-term effects of malnutrition are, his disability, with which he comes into the hospital, is related to his malnutrition until the appropriate chief of medical services says it is not.

This is my interpretation of how the benefit of the doubt in treatment services should be applied. Obviously, if a man comes in with a broken leg or gets hit with a beer bottle in a tavern brawl it has nothing to do with his war service; and it is easy to say that this is not related.

Mr. KENNEDY: This matter of payment of premiums on behalf of the recipients of war veterans allowance disturbs me because in the province of Nova Scotia the war veterans are contributing, at the present time, through the normal channels of taxation. Is it not possible in some way to adjust that? Are these premiums fixed?

Dr. CRAWFORD: They vary considerably from province to province. They gather different benefits from province to province and we have been unable to figure out any equitable way of adjusting this as between one province and another.

Mr. KENNEDY: Roughly, what is the average premium paid on behalf of a war veteran?

Dr. CRAWFORD: It is about \$2.10 per man per month.

Mr. MACDONALD (*Kings*): I would like to make an observation in regard to the Hong Kong veterans. In general I think that every veteran feels that he should receive special consideration from the Canadian pension commission because—

Mr. MONTGOMERY: I disagree with you.

Mr. MACDONALD (*Kings*): —they have had a long period of time in prison, an average of perhaps two to three years longer than the bulk of other prisoners of war; and also because the living conditions or the conditions existing in that enemy country were probably not as good as in some of the other countries.

Dr. CRAWFORD: I agree with you entirely. I think they should be regarded as worthy of some special consideration, and I think they are getting it. I think they receive special consideration from the pension commission and from treatment branches. However, this consideration is given to them as individuals and not as a group, and I believe this is the way it ought to be.

Mr. MACDONALD (*Kings*): I have only one in my area.

Dr. CRAWFORD: I would be very happy to go to war over again with all these fellows.

The CHAIRMAN: Does that complete item 451?

Mr. CARTER: If we have come to the end of this item, I would like to ask Dr. Crawford if he will be here next week.

Dr. CRAWFORD: I will be here Thursday, but I have to go west next Sunday.

Mr. CARTER: Would you have any objection to answering my question now, because I may have other questions on Thursday?

Dr. CRAWFORD: We have authority, Mr. Carter, from the cabinet—and I am speaking with reference to the proposed construction in Newfoundland—to negotiate with the province of Newfoundland and plan for the construction of adequate hospital accommodation for veterans in that province. As far as I know this is to be an additional project to the two major projects which were allowed.

We are contemplating adding a veterans pavilion to the St. John's General hospital. The cost of this will be approximately \$800,000.

We have negotiated with the province: we have their agreement to use their lands to do this. It would be our building. We have done preliminary sketch plans of the proposed structure. These sketch plans have been reviewed

by a special committee in Newfoundland composed of the users of the proposed construction. We are getting the plans back and there has been a fair amount of correspondence.

In the estimates we have a sum of money sufficient to pay the architect's fees. The architect will be appointed by the Department of Public Works in the very near future. We will also be able to pay for what construction can be done during this fiscal year.

If there is more construction, possibly we will have to go to supplementaries for more money; but we do not think we will need any more money this year, other than the \$100,000 we already have in. Of course, next year at this time we will be submitting the balance of the estimates for the completion of the St. John's project.

Mr. CARTER: Does the committee you referred to in connection with plans consist of medical men, and are the veterans represented on this committee?

Dr. CRAWFORD: No. Some of the members of the committee may be veterans, but the veterans organizations are not sitting in on it. The committee is composed of the D.V.A. people who will be administering the pavillion, the St. John's General hospital administrators who will be supplying the core services, dietary, nursing, operating rooms, laboratories and so on, and construction people from the federal Department of Public Works and the provincial department of public works. In other words, these are the people who will have to make this project work.

Mr. HERRIDGE: Mr. Chairman, I would like to address a question to Dr. Crawford. During the last year the C.P.R. has reduced its passenger service on the Kettle valley railway and only operates a Budd car. There is no sleeping car accommodation and owing to the low overhanging clouds it is impossible at times for planes to land. This has been a great inconvenience for veterans who are called in to Shaughnessy. Is there anything the department can do to jog the right person's arm to have this sleeping car placed on the Kettle valley railroad for the convenience of these people, particularly the veterans.

Dr. CRAWFORD: I do not know whether or not there is any influence that we can bring to bear in regard to this matter.

Mr. HERRIDGE: This situation has arisen on several occasions.

Dr. CRAWFORD: We will look at the amount of inconvenience it is causing us. What about using Calgary; is this any better? What about pulling them back to Calgary?

Mr. HERRIDGE: That has not been mentioned, but I think 100 per cent of them want to go to Shaughnessy. The dividing line is somewhere around Creston.

Dr. CRAWFORD: I mention that purely because I knew it had come up before, and I see no reason why people who want to go to Calgary cannot go.

Mr. HERRIDGE: But the same inconvenience is suffered whether you go to Vancouver or Calgary because it is the same train and there is the same lack of air services.

Dr. CRAWFORD: I will take it up with the regional administrator and will find out how many people are affected by this.

The CHAIRMAN: Item agreed to.

452. Medical research and education \$ 350,000

The CHAIRMAN: The details are on page 558.

Mr. BROOME: I have only one question in connection with this item. There are two new items, 22 and 28, which were not in before. Was there no compensation for loss of earnings previously, and was there no travelling expenses previously?

STANDING COMMITTEE

Dr. CRAWFORD: This was included under sundries in our last estimates.

Mr. BROOME: Fine; thank you.

Item agreed to.

Item 453 agreed to.

454. Prosthetic Services—supply, manufacture and administration— \$1,211,245

Mr. MACDONALD (Kings): I wonder if Dr. Crawford would give us a brief explanation on the recoveries from outside organizations. He noted \$150,000 altogether.

Dr. CRAWFORD: In the main, this comes from the workmen's compensation boards of one or two provinces who use us as a prosthetic agency because they believe we make a better product and give them better service. In addition to that we do supply in the province of Saskatchewan prosthetics on the request of the Red Cross, when other services are not available. But they pay for these, and these recoveries are made up in the main from such sources and the Department of National Defence.

The CHAIRMAN: Gentlemen, are there any further questions?

Item agreed to.

The CHAIRMAN: That leaves one other item which comes directly under treatment services. I believe it is item 459—treatment and other allowances.

Item 459 agreed to.

The CHAIRMAN: Gentlemen, that completes our examination of the treatment services branch. Thank you kindly, Dr. Crawford.

Dr. CRAWFORD: Thank you.

The CHAIRMAN: I think that concludes our sittings on this subject. This means that we now revert to item 450, and deal with matters under the veterans welfare services.

After we complete our discussion of welfare services we can proceed to the veterans bureau. I believe our next sitting is scheduled for 10.30 on Thursday.

Next Monday March 9, the Hong Kong veterans association will be before us, plus the war amputees.

The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament
1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

Estimates 1959-60 of the Department of Veterans Affairs

THURSDAY, MARCH 5, 1959

WITNESSES:

Mr. G. H. Parliament, Director General, Veterans' Welfare Services; Mr. P. E. Reynolds, Chief Pensions Advocate; Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs; Mr. F. T. Mace, Assistant Deputy Minister; Mr. C. F. Black, Secretary of Department; Mr. L. A. Mutch, Acting Chairman, Canadian Pension Commission.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.,
and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (<i>Kings</i>)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

ORDER OF REFERENCE

WEDNESDAY, March 4, 1959.

Ordered,—That the following bills be referred to the Standing Committee on Veterans Affairs:

Bill C-31, An Act to amend the Veterans Rehabilitation Act.

Bill C-32, An Act to amend the War Service Grants Act.

Attest.

Léon J. Raymond,
Clerk of the House.

MINUTES OF PROCEEDINGS

House of Commons, Room 112-N.
Thursday, March 5, 1959.

The Standing Committee on Veterans Affairs met at 10:30 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Badanai, Batten, Carter, Dinsdale, Fane, Fortin, Herridge, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, MacRae, Matthews, McIntosh, McWilliam, Montgomery, O'Leary, Ormiston, Pugh, Robinson, Rogers, Speakman, Stearns, Stewart, Weichel.

In attendance: Messrs. L. Lalonde, Deputy Minister of Veterans Affairs; F. T. Mace, Assistant Deputy Minister; L. A. Mutch, Acting Chairman, Canadian Pension Commission; F. J. G. Garneau, Chairman, War Veterans Allowance Board; G. H. Parliament, Director-General, Veterans Welfare Services; P. E. Reynolds, Chief Pensions Advocate; C. F. Black, Secretary of the Department; R. Bonnar, Assistant Departmental Secretary; J. E. Walsh, Director of Finance, Purchasing and Stores, with his assistant Mr. A. F. Graves; Mr. J. G. Bowland, Research adviser, Mr. G. S. Way, Chief of Information.

The Committee resumed consideration of the Estimates of the Department of Veterans Affairs for 1959-60.

Item 450—Veterans Welfare Services, including former Veterans Insurance Branch, was considered.

Mr. Parliament was called and examined. During his examination Messrs. Lalonde, Mutch and Black gave answers to specific questions.

The said item was approved.

Items 472 and 473 were also considered, with Messrs. Parliament and Lalonde under questioning. Whereafter the said items were approved.

Item 455—Veterans Bureau, was considered. Mr. Reynolds was called. During the witness' examination Messrs. Lalonde, Mutch and Mace answered specific questions.

The item was allowed to stand.

The Chairman informed the Committee that at its next meeting the War Amputees Association and the Hong Kong Veterans Association would be heard.

At 12:35 o'clock p.m. the Committee adjourned to meet again at 11:00 o'clock a.m., Monday, March 9, 1959.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

Thursday, March 5, 1959.
10.30

The CHAIRMAN: Good morning, gentlemen. We are slightly late in starting this morning as we are overlapping with the previous committee. However, we have a good quorum and I think we should commence.

I have a request from one or two of the new members for office copies of the various acts involved. We had a complete set distributed last year to all the members who took part in the committee, and I presume that all former members will have those copies in their possession.

The deputy minister informs me that copies will be distributed to the new members. Former members may not have in their possession the information as provided last year. Would all those who would like to have a re-issue of those documents please indicate.

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): We will arrange for approximately ten copies.

The CHAIRMAN: I would suggest they might include the booklet on war veterans allowances, scholarship assistance to the children of war dead and other items along that line.

Now, gentlemen, we go to item 450 this morning. First of all, I am reminded we have some questions held over from the last meeting, and Mr. Mace will answer those for you.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): Mr. Chairman, it is really a correction or clarification of the mileage rate about which I was not too clear the other day.

The authorized mileage rate where proof of insurance has been filed is 11 cents per mile for the first 5,000 miles, 10 cents per mile for the next 5,000 miles, and 8 cents per mile for all mileage in excess of 10,000 miles, in any one fiscal year. The 4 cents a mile rate applies to occasional travel where other means of public transportation is available. If anyone is authorized to use his own car on continuous travel and does not file proof of the required insurance coverage, he is only entitled to 9 cents a mile.

Mr. MONTGOMERY: I would like to clear up a point in connection with that matter: why insurance coverage, if he is driving his own car? I understood you to say that he receives a higher mileage allowance if he has this coverage.

Mr. MACE: I would like to quote from the treasury board authority in connection with this matter:

Every employee using a privately-owned automobile on official business who receives or is eligible to receive an allowance under paragraph (d) and (e) above shall submit proof to his deputy head that such automobile is insured at not less than the business rates for business usage by an insurance policy which would cover any or all claims for third party liability to the extent of at least \$100,000 in respect to any one accident.

This insurance, sir, is quite expensive. I presume the treasury board feel it is desirable that there should be that coverage so that in the event of liability he will be well covered.

Mr. MONTGOMERY: That is the reason you make the rates different.

Mr. MACE: Yes, by treasury board's direction.

Mr. ROGERS: Will they permit an operator to drive his own car without insurance?

Mr. STEWART: I do not think so.

Mr. MACE: We, as the department, would not. You mean without any insurance?

Mr. ROGERS: Yes.

Mr. MACE: He could have a lesser level of insurance coverage than the \$100,000 and in that case would only get 9 cents a mile.

Mr. ROGERS: And the same holds true if he drives a departmental car?

Mr. MACE: No. A departmental car—

Mr. ROGERS: Not the car; he has to take out certain insurance. He used to anyway.

Mr. MACE: As far as I know, sir, there is no insurance on any government-owned vehicles.

Mr. ROGERS: Not on the vehicle.

Mr. MACE: Well, then—

Mr. ROGERS: I wish you would look that up.

Mr. LALONDE: The driver of a departmental vehicle is not obliged to take out any insurance policy because the government is always its own insurer.

Mr. ROGERS: That is on the car, but I do not think the government will be responsible for an injury, or something like that, arising from an accident, or where the other car is damaged.

Mr. LALONDE: The government could be responsible if the accident was caused by the negligence of the driver.

Mr. ROGERS: Well, I would like to have that clarified.

Mr. LALONDE: I am sure of that.

Mr. ROGERS: It did not use to be that way. I drove a departmental car for a few years and I had to take out insurance.

Mr. MACE: On yourself?

Mr. ROGERS: Yes—public liability.

Mr. MACRAE: That is a provincial matter, is it not?

Mr. ROGERS: No.

Mr. LALONDE: We can verify that, but this is the first time I heard of a driver having to insure himself for public liability. I know the owner of a car has to insure himself and I believe it was recently in one of the Ottawa newspapers that the suggestion was made that it should be the driver of the car and not the owner who should take out the insurance. However, I do not think this is the current practice now.

Mr. ROGERS: Well, it may not be.

Mr. MACRAE: He is saying that the federal government compels you to take out insurance.

Mr. ROGERS: They carry their own insurance on the cars.

Mr. MACE: As far as I know, our drivers are not required to take out insurance if they are driving a departmental car. I am thinking now of some of the chauffeurs we have. The only insurance of which I am aware is on the vehicle itself, and if it is a government-owned vehicle then, in accordance with government policy, there is no insurance coverage on that car.

Mr. ROGERS: The government is then letting themselves in for something.

Mr. MACRAE: They are their own insurers.

Mr. LALONDE: They do the same thing in the field of fire insurance; they are their own insurers.

Mr. STEWART: That is an accepted practice; a lot of the large companies do the same thing.

Mr. ROGERS: I certainly drove my own car later on and we had that opportunity, but when I had a departmental car the government did not care about the car; they cared about the insurance,—and as far as public liability was concerned, I certainly had to have it.

Mr. WEICHEL: I had to take out insurance when I was driving my own car as a supervisory postmaster.

Mr. LENNARD: A man driving his own car for this department has to have public liability insurance on the car.

Mr. LALONDE: Yes.

The CHAIRMAN: I think the best way to handle this matter would be to have a formal statement.

Mr. LALONDE: We will do that, Mr. Chairman.

The CHAIRMAN: The matter will be clarified at our next sitting. We will now proceed to item 450, veterans welfare services. The details are on page 553.

450. Veterans' welfare services (including the former veterans insurance branch)..\$3,540,739

The CHAIRMAN: Gentlemen, we have with us this morning the director of welfare services, Mr. Garnet Parliament. We welcome you to the committee, Mr. Parliament, and turn you over to the members at this time.

Mr. G. H. PARLIAMENT (*Director General, Veterans Welfare Services Branch, Department of Veterans Affairs*): Mr. Chairman, I wonder if before we proceed I could make a short preliminary statement.

The CHAIRMAN: Yes. Will you proceed.

Mr. PARLIAMENT: This vote provides for the payment of salaries and general administrative expenses of the veterans' welfare services branch, both at head office and at our district offices, as well as the administrative expenses incurred in the district management of war veterans allowances and the administration of the assistance fund. Also provided are the costs of conducting investigations and reviews for other branches of the department and other agencies of the government, including service benevolent funds, and the cost of operating a general welfare service.

This vote now includes the costs incurred for the administration of the Returned Soldiers' Insurance Act and the Veterans Insurance Act. Veterans insurance staff is divided into appropriate sections to deal with policy issues, policy changes, applications for surrender, payment of death claims, and statistics.

At the request of the Department of National Defence, certain welfare services are provided to members of the armed forces and their dependents. When compassionate leave, posting or discharge is requested by a member of the forces because of some domestic hardship or emergency, national defence may request a report on home circumstances to assist in making an administrative decision. At the same time, any possible welfare assistance is rendered, either by counselling or by referral to appropriate community health and welfare agencies, where these exist. Occasionally, it is necessary to maintain contact with the home to assist in working out an alternative solution which will not disturb the member's service.

The work for the Department of National Defence involves maintaining a social worker, with a clerical staff, as full-time liaison officer at national defence headquarters.

The branch works in close co-operation with national welfare organizations such as the Canadian National Institute for the Blind, the Canadian Paraplegic Association and the Canadian Hearing Society, and funds are provided in the veterans' welfare services vote to reimburse these societies, in part, for the services they render to veterans. In addition, close liaison is maintained with the Dominion Command of the Canadian Legion, the National Council of Veterans, the War Amputations of Canada and the Hong Kong Veterans Association.

The work of the branch, which now includes the administration of veterans insurance and vetercraft shops, is carried out under the direction of the director general of veterans' welfare services, who is assisted at head office by a small supervisory staff. In the larger district offices, the branch is divided into three major divisions, namely, casualty welfare, general services and war veterans allowance. The smaller districts have only two divisions—administration and general services. Each district has a war veterans allowance secretariat which promulgates district authority decisions and directs the flow of applications and reviews through the general services division. This secretariat also serves the district assistance fund (W.V.A.) committees. District establishments include provision for professionally qualified social workers with specific responsibilities in relation to the branch functions. These include case work of difficult social problems, liaison with community welfare agencies, staff development, services to the Department of National Defence and the assistance fund. Special casualty rehabilitation services are established on a full-time basis in departmental hospitals.

Approximately half of the staff employed are qualified workers in the social and welfare fields, the remainder being clerical.

Before completing my statement, I think I should report to this committee on the effects of the two changes in legislation which were concurred in at sittings last year. The average number of policies issued and reinstatements under the Veterans Insurance Act, per month, in 1955-56 was 201, in 1956-57—93, and in 1957-58 this monthly average had dropped to 59. With the extension of time for applications, concurred in by this committee last year, the number of new policies issued increased to 78 in September, 173 in October, 207 in November, 402 in December, 447 in January and 400 in February. This also brought about a sharp increase in inquiries about the changes and reached 2,607 in the month of November but apparently is levelling off somewhat.

You also concurred in legislation, in last year's committee meeting, for an increase in allowances paid to the children of the war dead concurrent with the discontinuation of pension at age twenty-one years. You will be glad to know that of the total number of children of war dead on allowances at the present time (591) the number of students benefiting from this change is 156, or slightly over 26%.

THE CHAIRMAN: Thank you, Mr. Parliament. Have we some questions, gentlemen.

MR. SPEAKMAN: Mr. Chairman, mention was made of the welfare funds which are handled by that branch. Could you tell us the state of the three welfare funds at the moment: what is their financial status? Are the funds being depleted rapidly or are they holding their own?

MR. PARLIAMENT: Do you mean the service funds, the army benevolent fund and so on?

Mr. SPEAKMAN: Yes.

Mr. PARLIAMENT: They are not handled by the branch. We do just the welfare work. We carry out the investigations for the army benevolent fund, the navy benevolent fund and the R.C.A.F. benevolent fund. We give them a report on the welfare work.

Mr. FANE: Is this the place where we could discuss the provisions of the war veterans allowance?

The CHAIRMAN: That would come under the war veterans allowance branch, if you could wait until then.

Mr. FANE: Yes.

Mr. MACDONALD (*Kings*): I think this comes under the welfare service, Mr. Parliament. I have had three cases in the last year, or slightly more, of women who, for one reason or another, have been separated from their husbands who were veterans of World War I, and more or less cast off. Is there any assistance of any kind for women in that position?

Mr. PARLIAMENT: Not within the department. If we do run across a case like that, we refer it to the proper provincial welfare agencies who look after such cases. However, we have no responsibility ourselves.

Mr. MACDONALD (*Kings*): Under what principles of veterans legislation does that come? It would seem that these women are rather sad cases which are neglected by some irresponsible husbands. There is no assistance whatsoever for them?

Mr. PARLIAMENT: None. The benevolent fund very likely would look after a case of that kind. We do not, in the department.

Mr. LALONDE: I think that while this does not come under welfare, in the case of a veteran who is in receipt of a disability pension—perhaps Mr. Mutch might have something to add about the deserted wife.

Mr. LESLIE MUTCH (*Acting chairman of the Canadian Pension Commission*): It is possible, in a case where the husband who deserts his wife or fails to maintain her is a pensioner, that the pension commission would have power to administer his pension upon his behalf and to pay an additional pension for the wife together with part of his pension, to be paid to the wife directly, if they are able to satisfy themselves that she has not in fact disentitled herself, and that she is properly a charge on her husband. But that involves, in each case, the pension commission stepping in, and administering the pension.

Very often you will accomplish the matter by seeing the man and having him make a voluntary assignment. But if he refuses to have anything to do with it, and if the commission is satisfied that he should, we may then administer his pension for him and pay part of his pension, together with additional pension, to the wife direct.

Mr. MONTGOMERY: Do you require a court order, let us say, under the Deserted Wives and Children Act, as evidence of desertion?

Mr. MUTCH: The commission very often asks that the deserted wife attempt to establish the desertion through the ordinary courts. But the responsibility of the commission is outside, and we do not always ask; neither are we always bound by a decision of the court.

It can happen that if an order is issued for maintenance, that order will be disregarded. Very recently we had one in excess of 20 years, where the wife made no attempt to enforce the order for maintenance. In fact, I do not think she wanted the husband to know where she was. In any case the husband died and we were faced with a claim, which is not an unusual situation although not too common. While we are not bound to ask for a court order, we have the right to accept a court order as prime facie evidence of an applicant to be maintained.

Mr. HERRIDGE: I would like to ask one or two questions of Mr. Parliament. It is the responsibility of the Department of Veterans Affairs to administer legislation designed for the welfare of veterans after their discharge. During the past years, senior officials of the Department of Veterans Affairs in order to assist in promoting the welfare of veterans after discharge have made representations to the government with respect, either to new legislation, or in respect to necessary amendments to legislation to the advantage of veterans. Is that correct?

Mr. PARLIAMENT: You mean representations made by the department's senior officials?

Mr. HERRIDGE: I mean representations made to the government in respect to amendments required to improve legislation, or for new legislation if it is necessary to protect the welfare of veterans.

Mr. LALONDE: I am not quite sure of what you have in mind, Mr. Herridge, but it would be true to say that senior officials of the department have made recommendations to the minister.

Mr. HERRIDGE: To the minister, yes.

Mr. LALONDE: To improve certain parts of legislation in the veterans charter.

Mr. HERRIDGE: Yes.

Mr. LALONDE: I should say that this is a procedure which is going on all the time. We are revising legislation all the time. I think the minister said in the house last year that he had a long-range plan for reviewing all the acts under the veterans charter.

Mr. HERRIDGE: Yes. I think the minister made some comment yesterday about certain amendments in two bills which are to come before this committee, and that the recommendations came from senior officials.

Mr. LALONDE: That is right.

Mr. HERRIDGE: No doubt the senior officials know that there are quite a number of veterans who have been discharged in recent months who have been unable to obtain employment and who owing to their service in the defence forces are ineligible for unemployment insurance. Consequently they are in a very serious position and in some cases they are having to receive welfare payments or assistance from the provinces.

My question is this: I understand that this matter was considered by the Department of National Defence some years ago, but in view of the departmental responsibility for the welfare of veterans after their discharge, has any representation been made to the minister to consider bringing members of the armed forces under the unemployment insurance act to assure their welfare after discharge?

Mr. LALONDE: I am not sure, Mr. Herridge, whether you are referring to those who served in World War II or those who served in what we call the regular forces in peacetime.

Those who served in World War II are veterans because they served in wartime. But a person who has only served in peacetime has never been considered to be a veteran for the purpose of our legislation. He has decided in peacetime to choose a military career as his occupation in the same way that others choose to become civil servants.

Once he decides to leave the service, as far as our department is concerned he is considered to be in exactly the same position as a person who has severed his connection with the civil service. In other words, we do not consider the man with the peacetime service as being a veteran. Our legislation only covers those with service in wartime.

On the other hand, those who served in the Korean action were considered as having service giving them eligibility as veterans. But other persons who served in peacetime only are not veterans for the purpose of the legislation.

Mr. HERRIDGE: The department does not accept the responsibility for members of the armed forces who served in peacetime?

Mr. LALONDE: That is right.

Mr. CARTER: What would be the position of a person who had served in wartime, who had been discharged for a couple of years, and who then decided to enter upon a military career? Would he be a veteran then?

Mr. LALONDE: He would have been entitled to his benefits after his discharge. His service in the peacetime forces will not give him any additional benefits.

If he was out of work after he came out of World War II, he would have been entitled to "out of work" allowances.

We have paid unemployment insurance for those people you are referring to, Mr. Carter. Those are people who served in World War II and who then went straight into the regular forces.

Perhaps Mr. Parliament might explain; but that benefit has now elapsed.

Mr. PARLIAMENT: Yes, that benefit has elapsed. The present benefit is only being paid, I think, on behalf of two veterans who were held over for discharge—who served in the peacetime forces. They came under the Veterans Benefit Act, and they had three years to come out, or at least the benefit was extended for three years after they were discharged, that is, within three years. But in some cases a few of them were held over in Germany and were not able to return in time to obtain their discharge within the three-year period. I think there were only two in December and four in November.

Mr. KENNEDY: What happens to a serving member of the regular forces with no war service who gets disabled and is no longer fit for service? Where does he go?

Mr. LALONDE: A member of the regular forces who suffers a disability due to his military service can get a pension under The Pension Act. Perhaps Mr. Mutch can give us the exact terms of that eligibility.

Mr. MUTCH: The insurance principle with respect to Regular force service, is not in effect as it was in wartime. But there is provision in the Pension Act that a disability which arose out of, or was directly connected with service as such during peacetime service, may be pensionable.

In wartime a man whose disability arose during his service was pensionable by virtue of the fact that he was in the service; but that provision does not apply to the peacetime, regular forces.

However, there is provision, provided the disability arose out of and was directly connected with his service as such. There is one other group, the group that was mentioned a moment ago, who had active force service, and who had a disability which was pensionable incurred during their active service.

It may happen that an aggravation of that disability has occurred during the regular force service. In that case the commission can consider whether or not the aggravation constitutes an increase in his pensionable disability which is the same as if he were employed out of the services.

Mr. KENNEDY: The decision is made by the pension commission based on the evidence which is produced by the person inquiring?

Mr. MUTCH: If the injury arose out of an accident, the commission would ask to have made available to it the evidence which was adduced before the court of inquiry.

Then the commission, as to its responsibility, bases its decision on that same evidence. The commission is not bound by the decision of the court of inquiry. Nevertheless the Commission does have access to the evidence with which the court of inquiry was then faced.

Mr. FANE: I have a question regarding a pension for a man, an officer with dependents. At the time of the war he was going through the Royal Military College and he went directly from there into active service. He served throughout the war and came back but still remained in the service. He died of appendicitis after a couple of years. Are there any benefits for the wife and family?

Mr. MUTCH: Are you asking that question of me?

Mr. FANE: I guess so, or of whoever can answer it.

This case arose at the time the second war broke out. The man was attending the Royal Military College where he graduated and went directly from there into active service. He served throughout the war and afterwards he continued in the permanent forces. He died of appendicitis.

Mr. MUTCH: You are asking me if his widow is pensionable?

Mr. FANE: Yes. Are there any pensions or benefits which the widow or family might receive?

Mr. MUTCH: Unless it could be shown—which I think you will agree is highly improbable—that the appendicitis was due to something which happened to him during his period of active force service, that door would be closed.

The only other avenue would then be to establish that the appendicitis which occurred during the regular force service arose out of or was directly connected with his war service as such. I think you will agree that this probably could not be established. Unless it could, there is no benefit, under The Pension Act, to the dependants.

Mr. FANE: Thank you.

The CHAIRMAN: We are discussing item 450.

Mr. MACRAE: The item regarding professional and special services; just what is involved there?

Mr. PARLIAMENT: Several things. The main charge for this particular vote is for paying doctors of choice for medical examinations under the war veterans allowance, and also for paying legal fees for prosecutions that may be carried out by virtue of the war veterans allowance, overpayments of re-establishment credits, or veterans who obtained reestablishment credits fraudulently.

In most districts we belong to the social service index, and we pay fifteen cents for every inquiry. That is included in it. At the moment I think I have given you everything, but the big reason for the professional service, or the increase in professional service, is due to the increase in the number of war veterans allowance applications.

Mr. LALONDE: It might be of interest to know that in 1957-58 the amount spent on legal costs out of this vote was \$295.

Mr. MACRAE: The bulk of it is for doctors of choice?

Mr. LALONDE: Definitely.

Mr. MACRAE: I think you said that investigation had been carried on for the army benevolent fund and other funds, but that it was done without any charge whatsoever. You said that the salary of the secretary of the benevolent fund was paid by the fund itself but that you conducted all the investigations for them free.

Mr. PARLIAMENT: Only upon request; they must request us to do it, then we carry it out.

When we run across a man who we think may be eligible for assistance under the army benevolent fund, at the same time we carry it out and give them the whole deal, the application and the investigation.

Mr. MACRAE: There are eleven administrative offices under this vote. I assume they are in the districts. Is that correct? I refer to page 553.

Mr. PARLIAMENT: It depends on the grade. Some of them are in the head office, certainly. And the district superintendents in Winnipeg, Toronto, Vancouver and Montreal are all A.O.4's.

Mr. MACRAE: That is the highest grade?

Mr. PARLIAMENT: That is right.

Mr. ORMISTON: Concerning the question of payment of claims under veterans insurance: does it compare favourably as to speed with private companies?

Mr. PARLIAMENT: Yes, it does, very favourably. I sign them, and they watch them very carefully. It all depends on who brings us the documents. They may come through a legal solicitor, or they may just inform us of the death and put in a claim including required documents.

We have to hold back a certain amount of money temporarily, but we do give them a portion of it. We have to hold it back because we have to clear with succession duties and all that. But they are acted upon very quickly, I would say, and they compare very favourably with the line insurance companies.

Mr. MONTGOMERY: Do you require a clearance when the insurance policy is less than \$1,500?

Mr. PARLIAMENT: No, I do not think that we do.

Mr. C. F. BLACK (*Secretary of the Department of Veterans Affairs*): There are two provinces which require succession duties. In the province of Quebec there is a release required only where the policies total more than \$1,500. Where the policy is more than \$2,500 we must get a release from Ontario.

Mr. CARTER: I wonder if Mr. Parliament could tell us this: I know the department does not administer the benevolent fund services, but I wonder if, from your personal experiences, you could tell us whether the payments out of this fund are made in lump sums or on a monthly basis or on what basis?

Mr. PARLIAMENT: You are speaking of the army benevolent fund itself?

Mr. CARTER: Yes.

Mr. PARLIAMENT: They make different arrangements in different provinces and in different cities as to paying out. They may take on a man's debts and lump them together and make some recommendation to their provincial secretary that he get in touch with all the creditors. Then the creditors would get together with the army benevolent fund secretary and they might settle for 50 cents on the dollar and wipe out the whole thing.

There was a case in Nova Scotia where the total debt was over \$6,000 and it was settled by a grouping of benevolent funds. It was not only the army benevolent fund but there were other funds that assisted in settling it; and they settled it for \$2,000.

They did the settling, and worked it out, and then the other funds came through and assisted them. \$600 came from the army benevolent fund in this particular case, and from some other funds that are set up for that purpose, private funds.

Mr. CARTER: Did the members of the forestry corps contribute to this benevolent fund at all? Were they eligible?

Mr. PARLIAMENT: I could not tell you about the army benevolent fund. I do not know if it had any other particular cases.

MR. CARTER: Are members of the forestry corps eligible for welfare services?

MR. PARLIAMENT: Not unless they are veterans. Are they considered as veterans?

MR. CARTER: Oh yes.

MR. PARLIAMENT: You are referring to the forestry corp in Newfoundland?

MR. CARTER: As far as Newfoundland is concerned, veterans of the first war were considered veterans.

MR. PARLIAMENT: There is only one place where there is a benevolent fund for World War I. Ontario has a fairly large amount for World War I. It happens to be over \$500,000.

There is no fund of any account in any one of the other provinces. There are a few provinces which have \$1,000 or \$2,000 for benevolence in connection with World War I, but there are no other benevolent funds set up, or canteen funds, as they were called in World War I.

MR. HERRIDGE: As everyone knows, all welfare problems are related. The network, or the administration of welfare problems, is becoming smaller and smaller through the years. Is it the practice of the director or of the other officials of his branch on that account to meet with the representatives of other governments in Canada, with other governments outside of Canada, with national organizations in Canada, or with international organizations in order to discuss these problems with them?

MR. PARLIAMENT: Yes, I would say that is done. Speaking for myself, I am a governor on the board of governors of the Canadian Welfare Council, and I keep pretty closely in touch with matters. We are in touch with the Legion and with other national government or veterans organizations. I am convinced that we know pretty well what is going on. But I would correct one thing; I think that maybe the welfare problem, while it is getting a little less, on the other hand it is becoming more complicated, and it requires a great deal more time now than it did a few years ago. There is no doubt about that in my mind.

MR. HERRIDGE: And they are inter-related too.

MR. PARLIAMENT: Yes, that is right, and with all the other veterans organizations that we work with as well. Most people or most organizations which have these veterans have sent them to us. Naturally if there are other benefits available to them, we are aware of the fact, and we see that the others take their place too.

MR. HERRIDGE: If a veteran under our legislation is unaware that he is entitled to get admission, let us say, to the Shaughnessy hospital, your branch would do its utmost in approaching the provincial authorities?

MR. PARLIAMENT: I think that is what happens. It would be a treatment matter, but I am sure that is what they do in Vancouver. I know there are a good many veterans who are not on treatment strength, yet who, through representations made about them, are taken care of.

MR. LALONDE: If he is in a hospital, he will be looked after at the same time by some welfare officer that Mr. Parliament stations right in the hospitals. He has welfare officers in every hospital.

MR. HERRIDGE: I meant if he was not eligible to go to a veterans hospital because of our legislation, would our welfare people see that he got properly cared for by the appropriate provincial department?

MR. PARLIAMENT: We would certainly draw it to their attention.

MR. MACDONALD (Kings): The problem I was going to bring up is more or less related to the three benevolent funds. There have been complaints from

many veterans organizations having regard to the fact that the benevolent funds of the three services do not make a public accounting, and they do not know what is going on. I wonder if Mr. Parliament would care to comment on that subject?

MR. PARLIAMENT: The army benevolent fund definitely make an accounting because they must report to the minister and have their report tabled in the house. As to the navy and air force benevolent funds, there is a statement made after it is passed at their annual meeting.

MR. MACDONALD (*Kings*): Do you not think there should be some accounting made on a permanent basis? A number of our people in the Legion complain that when representatives of their organization attend provincial conventions, they have a lot of difficulty in finding out what is going on in regard to this fund.

MR. LALONDE: The army benevolent fund is the only one which was set up by act of parliament. In that act it is laid down that the army benevolent fund will, every year, table a financial statement through the Minister of Veterans Affairs. But the other funds are not set up by act of parliament.

The navy and air force benevolent funds were incorporated under the Companies Act, I believe, and therefore they are not responsible to the Minister of Veterans Affairs. They are bound to obey the law which is set for this type of incorporated company under the Companies Act, but they are not governed by any such legislation as is the case of the army benevolent fund.

MR. MCINTOSH: As Mr. Parliament has said, I know that they do put out a financial statement each year.

MR. LALONDE: Yes, and they invariably send a copy of it to our minister.

MR. MACDONALD (*Kings*): That is a statement made on a dominion basis; it is not broken down by provinces.

MR. LALONDE: They report on the status of the fund as a whole. Is there any record of their disbursements by provinces? I am sure the fund itself has a record.

MR. STEARNS: I know that the air force benevolent fund is broken down by provinces. I happen to be a member of the board for the district of Quebec. Besides the annual statement every year we also get out a list of the recipients of grants who have not lived up to their obligations. Sometimes there might be three or four pages of people listed who are not living up to their obligations. Therefore they are on the blacklist, so to speak.

I know that at the end of each year they know exactly how much money is left in the fund and how much has been spent in the province. It is a fairly detailed statement.

MR. MACDONALD (*Kings*): Since the army benevolent fund was set up by act of parliament, do you think that we should be entitled to have an accounting each year at our provincial conventions of the Legion, for example, and to know what the situation is each year?

MR. PARLIAMENT: I think any representations like that should be made to the army benevolent fund itself. I could not answer for them. General Murchison is the chairman and Mr. Chadderton is the secretary and he is right here in Ottawa. I am quite sure that they could be approached in the matter.

MR. MACDONALD (*Kings*): I shall contact him directly on that.

MR. PARLIAMENT: Yes. You could talk to him directly about that. The naval representative and the air force representative have their offices here. If you wanted them there you would have to make the representations to them.

Mr. MONTGOMERY: I wonder if they were invited to come and give some information to the committee if they would mind coming? I suppose it would be a case where we could not ask them as a matter of right, but they might be glad to come.

The CHAIRMAN: There was something off the record which I did not hear.

Mr. MACDONALD (*Kings*): I just mentioned they had been invited.

Mr. MONTGOMERY: I will withdraw my question.

The CHAIRMAN: The question is withdrawn by Mr. Montgomery.

Item agreed to.

TERMINABLE SERVICES

472. Veterans Benefits, including Assistance and the training of certain Pensioners under regulations approved by the Governor in Council \$797,900

The CHAIRMAN: This item comes directly under the responsibility of welfare services. While we have Mr. Parliament before us perhaps we could deal with this item. The details are on page 567. Have you any comment to make on that item, Mr. Parliament?

Mr. PARLIAMENT: Children of War Dead is probably the most important one now. If there are any questions on that I would be glad to answer them. I have the figures with me of the breakdown of the courses for which the children have applied and which have been approved. I can give you that statement if you want it.

Mr. MACRAE: The question I wish to ask is, under the Children of War Dead (Education Assistance) Act, is the benefit to the child cut off at the age of 21 or is he carried to the end of his university course?

Mr. PARLIAMENT: We are limited to four years under the Children of War Dead Act. We can carry them up to the age of 25 but at age 21 the pension is cancelled. The pension goes off, but we now have authority to add \$35 in allowance. Instead of getting \$25 they will be getting \$60 after 21 and 156 have already benefitted by it this year.

Mr. MACRAE: There seems to be a little gap in our legislation at the moment. Normally, in most provinces a child takes twelve years of public school and high school and the average university course in most provinces, for instance in engineering, now is five years and sometimes six years, which means there is a period of two years of the university course for which they are not covered.

If the boy or girl can get a job during the summer they can continue on. However, there seems to be a little gap in the final two years at the university.

Mr. PARLIAMENT: Yes. There is that gap. The medical course would be one example.

Mr. MACRAE: And engineering.

Mr. PARLIAMENT: Would you be interested in the kinds of courses these children are taking?

Mr. HERRIDGE: We certainly would.

Mr. PARLIAMENT: You will be very, very glad to know that the greatest percentage of the girls go into nursing. The courses are in the faculty of arts and science, agriculture, commerce and business administration, industry, education. In engineering and applied sciences we have about twelve different groups, and then we have the fine and applied art, forestry, household science, journalism, law, library science, medicine, music, nursing, pharmacy, physical and health education, physical and occupational therapy; there are two in theology and three in veterinary science. The total is 947. We have 29 in nursing in the universities; I do not have the exact number for the others. I know the greatest percentage of the girls are in nursing.

Mr. McINTOSH: Could Mr. Parliament explain the difference in the figures in the three items, university training, children of war dead, and unemployment insurance? There seems to be quite a variation in the last estimate.

Mr. PARLIAMENT: The children of war dead will increase. University training is for World War II and that is gradually being finished. The unemployment insurance is finished. I think I said a little earlier there are only two persons who came under the unemployment insurance in the month of December. These were late discharges from the army. The legislation was finished in July, 1958, but because they had been kept in Germany and were not discharged until later on in the year we did pay unemployment insurance benefits on their behalf.

Mr. McINTOSH: What do you say about the children of war dead?

Mr. PARLIAMENT: It is increasing.

Mr. McINTOSH: By 25 per cent?

Mr. PARLIAMENT: The increase is made up by the legislation which we passed last year.

Mr. FANE: Mr. Chairman, do I understand correctly that these young persons whose university courses are paid for are the ones whose parents received at least a 50 per cent disability pension from one of the wars, or is there some other qualification? That is at the time of death.

Mr. PARLIAMENT: Yes. That is quite correct.

Mr. FANE: At least 50 per cent? Or if less died as a result of his disability.

Mr. PARLIAMENT: Yes.

Mr. WEICHEL: One gentleman mentioned something about twelve years at school for the child and only three years practically for university, and Mr. Parliament mentioned there were some groups who are there longer. Is there any way that can be reconsidered?

Mr. LALONDE: The title of the act was Children of War Dead (Education Assistance) Act. At that time I think it was designed as a measure of assistance, not as a rehabilitation act in the same way that the original one was designed right after the war for the veterans themselves. A limit was placed on the period of assistance because it was meant to provide what was called higher education.

In the act itself there was no mention of university training as such. It was felt then that perhaps university training would be a small percentage of the whole project. I think that in effect it is a small percentage of the whole project. You must remember, Mr. Weichel, that we tackled this thing in 1954 with absolutely no previous experience in a scheme of this kind. As the act develops and we have more and more experience in the type of studies which are chosen by the various children there may be adjustments which will have to be made. But I think we must have the benefit of a certain period of experience before we can come to parliament and say: this has cost so much over a period, this is what has been accomplished, and it is recommended we spend more money and enlarge the terms of reference. Then it will be up to parliament to decide whether or not they want to do that.

Mr. PUGH: Following up Colonel Lalonde's words, the act was set up many years ago under unknown circumstances. I would suggest we do make the recommendation in respect of the children who come along and are in the specialized categories requiring the extra allowance for two years or so. There cannot be many in that group. It would seem to me with all the discussions on education and increased amounts for education, and this happening to be Education Week, that this would be a good recommendation to have

go forward. Would it not be possible to see that this money is advanced for completion on repayment or by an outright grant?

Mr. ROGERS: Do you not think that under this act as it stands now, whether it be in respect of engineering or medical training, it leaves it up to the student himself to some extent?

Mr. ORMISTON: The student has certain responsibilities himself.

Mr. ROGERS: Yes.

Mr. MACDONALD (*Kings*): All students have the responsibility of furthering their own education and making do, but I am only thinking of those who possibly are not in a position to do it. Surely there should be something available to them to enable them to finish their university course, that is for those who are unable to put themselves through in the final years.

Mr. WEICHEL: I had a case where the father felt he would be able to give his boy an education after he became 21 years old, but the father became unemployed and it was up to a few private individuals to help him financially in order to carry that boy through with his education.

Mr. HERRIDGE: Mr. Chairman, I am very sympathetic with Mr. Pugh's proposal. However, this is in the nature of policy and it would have to be discussed as a result of representations from the Legion or some other organization.

The CHAIRMAN: It could only go forward from this committee as a recommendation.

Mr. PUGH: That is all it was intended to be.

Mr. O'LEARY: Speaking on this recommendation, there was a case mentioned which I do not think could apply because the father was mentioned. I am wondering if any members of this committee know of serious cases of hardship as a result of this gap? Personally, I do not know of any.

Mr. LALONDE: I must say we have not heard of any. We believe that where the child has gone through three or four years of medicine under this plan, and he is not eligible for further assistance because of the limitation in the act, he may be able to find other means such as bursaries and loans for completing his studies.

I have not expressed any opinion and, as Mr. Herridge has pointed out, this is strictly a matter of policy. All I did was to give you the background of the act when it was first enacted and it is written in black and white that this is "an act to provide assistance for the higher education of children of the deceased members of the armed forces". The words "higher education" were used as a very general term.

Mr. WEICHEL: In a case such as my own, if I had a boy whom I wanted to send to university, the age limit is the same, 21 years?

Mr. MUTCH: Exactly.

Mr. LALONDE: For the payment of a pension on behalf of a child?

Mr. WEICHEL: Yes.

Mr. LALONDE: Not for payment of university fees and allowances.

Mr. MUTCH: I took it for granted that was the case.

Item agreed to.

The CHAIRMAN: War service gratuities. Are there any questions on this?

Mr. KENNEDY: These will all come up for study under the bills?

The CHAIRMAN: Yes. If you wish to wait until that time we will have a thorough opportunity to review this.

Mr. LALONDE: You may have to report on the estimates before the bills are discussed.

The CHAIRMAN: As long as it is clear with the committee we could proceed that way.

TERMINABLE SERVICES—Concluded

(S) War Service Gratuities (Chap. 289, R.S.)	\$ 10,000
(S) Re-Establishment Credits (Chap. 289, R.S.)	\$ 1,600,000

Items agreed to.

473. Repayment in such amounts as the Minister of Veterans Affairs determines, not exceeding the whole of an amount equivalent to the compensating adjustment made under subsection (1) of section 13 of the War Service Grants Act or the payment made pursuant to paragraph (c) of subsection (2) of section 12 of the Veterans Rehabilitation Act, where the person who made the compensating adjustment or payment does not receive benefits under the Veterans' Land Act or where, having had financial assistance under that Act, he is deemed by the Minister on termination of his contract or agreement under that Act to have derived hereunder either no benefit or a benefit that is less than the amount of the compensating adjustment or payment made	\$ 225,000
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The CHAIRMAN: Is there an explanation on this item? There is a long explanation in the book.

Mr. LALONDE: This will be discussed in detail I imagine when you are studying the bill which will be placed before the committee on the War Service Grants Act. I can assure you we will give you an adequate explanation*at that time. I can give it now, but it would be a repetition.

Mr. HERRIDGE: I can also assure you we will have adequate questions. Item agreed to.

455. Veterans' Bureau	\$ 625,296
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Mr. BADANAI: Are you skipping item 451?

The CHAIRMAN: We dealt with treatment services the other day. Dr. Crawford was here before us.

Mr. BADANAI: Unfortunately I have a question which I wish to ask. The question, whether or not I will obtain an answer to it, concerns a father who served for 5½ years in the Army Medical Corps during the last war. He was registered at the unemployment insurance office as a hospital orderly. However, he was given a job with the Canadian National Railways as a car inspector helper. He worked for 7½ years until September 10, last. He received unemployment insurance, after being laid off, of \$28 a month as a married man with three children. A week before Christmas he received a call from the unemployment insurance office offering him a job on the city's winter work program. He was unable to take that employment. He felt his physical condition was such that he could not accept that type of work. So he was advised if he failed to report for work he would be disqualified for unemployment insurance benefits. Now he wants to reregister as a hospital orderly, which was his registration in the first instance. The reason he is now disqualified from receiving any further unemployment insurance benefit is because he refused to accept the job offered him. It is a sad case. This man served for 5½ years.

I have taken the matter up with the unemployment insurance office but they say they have the law to observe and that is it. I am wondering if there is any provision in the act under which this man may be helped? That is all I want to know.

Mr. LALONDE: Not in respect of unemployment insurance. He comes under their act. But is he a veteran?

Mr. BADANAI: Yes. He is a veteran with 5½ years' service.

Mr. LALONDE: I wish you would give his name to Mr. Parliament and we will see what we can do for him from a welfare angle.

Mr. BADANAI: Thank you very much.

The CHAIRMAN: We will now proceed with the veterans bureau. We have Brigadier Reynolds with us this morning who is chief of the bureau.

Mr. P. E. REYNOLDS (*Chief Pensions Advocate*): Would you like me to make a short statement?

The CHAIRMAN: Yes.

Mr. REYNOLDS: Mr. Chairman, and gentlemen, I am the chief pensions advocate and in charge of the administration of the Veterans bureau. When I last appeared before you I explained the functions of the bureau in some detail. I would like to say that the volume of the work has continued to be great. Each year which passes adds to the number of documents to be reviewed and summarized and there is the difficulty of tracing witnesses and obtaining evidence of incidents which took place a number of years ago. Consequently, each individual application becomes more difficult to prepare and is more time-consuming.

The bureau, as you all know, through its advocates assists on request any veteran or veteran's dependent with his or her problems under the Pension Act. In addition to the help of the bureau, a veteran or his dependent may obtain assistance from any of the service bureaux of the various organizations, or he may at his own expense obtain his own counsel. The service bureaux of the veterans organizations are not in any way connected with the veterans bureau; they operate entirely independently, but the veterans bureau is pleased to cooperate with them or with the applicant's counsel in every possible way. Mr. Chairman, this is all I wish to say in a general vein.

The CHAIRMAN: Are there any questions?

Mr. CARTER: I am wondering how you managed to cut down the travelling expenses by half?

Mr. REYNOLDS: The previous year contained a number of removal expenses.

Mr. HERRIDGE: What type of removal?

Mr. LALONDE: Perhaps I might explain that. There are two items which we include in our travelling expenses; one is the cost of travelling between the head office and the district offices. For instance, if Mr. Reynolds wishes to visit some of his advocates in the district offices this is covered under this heading. His expenses are paid in the normal way. Travelling expenses also cover the cost of transferring an employee of the department to another position within the department but in another location.

One case which comes to my mind immediately is that there was a competition held last year for an assistant to Mr. Reynolds in Ottawa. The person who won the competition was the advocate in Edmonton. As a result of that, he had to come to head office and it is government policy to pay the cost of his transportation, and the cost of his expenses of moving his family to Ottawa.

As a result of that one competition alone we had to appoint a successor to the pension advocate in Edmonton, and the man who won that competition was a pension advocate in another district.

Mr. HERRIDGE: I judge these are quite reasonable expenses. The Auditor General has not made any comment on these moving expenses in his report.

Mr. LALONDE: Perhaps the one factor which made this amount of removal expenses so high was that for only these two positions a man was transferred from Edmonton to Ottawa and the replacement was transferred from Halifax to Edmonton. That, of course, does not enter into consideration as far as we are concerned in choosing the person who we think is the best man for the job. It does not matter where he is.

Mr. MONTGOMERY: If a new man had won the competition and was not in the service at the time would you pay his expenses if he was in Vancouver?

Mr. LALONDE: No.

Mr. MONTGOMERY: There may be a question as to whether the policy should be changed in that respect.

Mr. MATTHEWS: There was a case of a man who remarked it cost around \$1,900 to move his family from Vancouver to Ottawa. He was employed by quite a large firm. It is the usual practice.

Mr. MACDONALD (*Kings*): I would like to ask about the part-time solicitor. I see there has been a reduction from eight to four. Is there any reason for that? Also does a part-time solicitor have to observe so many hours a day or are the hours specified?

Mr. REYNOLDS: In Saskatoon and Regina we previously employed part-time solicitors as advocates in those two places and then we decided to use one full-time advocate to look after both centres. He resides in Regina and looks after Saskatoon as well.

The answer to the second part of your question is that the part-time advocate is expected to devote fifty per cent of his time. But if there is not sufficient work to keep him going fifty per cent of the time at the office we do not expect him to sit there doing nothing when he could be otherwise occupied in his own law practice. The idea is to spend sufficient time to do the work properly.

Mr. MACDONALD (*Kings*): What about the question of a veteran who expects him to be in the office at certain hours, and then when he arrives there is no one to see him?

Mr. REYNOLDS: There will be a clerk on duty and he can make an appointment for him to see the advocate. A good many advocates, even if they are only part time, will come from their own office to the departmental office if they are interested in seeing them. This is true particularly in cases where the veteran has come from a distance.

Mr. MACDONALD (*Kings*): Is that not an unsatisfactory arrangement? Should they not have to be there certain hours in order to accommodate the veterans?

Mr. REYNOLDS: Most of them do have set hours, either the mornings or the afternoons.

Mr. PUGH: For what reason would the veteran be seeing the advocate?

Mr. REYNOLDS: To make a claim under the Pension Act.

Mr. PUGH: To make a claim?

Mr. REYNOLDS: To continue a claim under the Pension Act.

Mr. PUGH: Is it felt it is necessary to have a solicitor for that?

Mr. REYNOLDS: It is not essential, but often quite helpful.

Mr. CARTER: Along that line, I am thinking particularly of Newfoundland, where we have a part-time advocate. I notice Mr. Reynolds said work was increasing, that there was more paper work, and I presume that applied to Newfoundland as well.

I have two questions. Has the situation in Newfoundland developed to a point where we could use a full-time solicitor and if not, is not the amount of work the solicitor would have to do dependent in Newfoundland at least upon the number of appeal boards held? I say this because veterans coming from all over Newfoundland would not congregate in St. John's to see a solicitor unless he was going to appear before the appeal board.

Mr. REYNOLDS: The answer to the first question is that the work in St. John's, Newfoundland is not sufficient to warrant the employment of a full-time advocate. But I have taken steps since you raised the point last

year to see if arrangements cannot be made, and authority has been obtained, to pay the advocate in Newfoundland a higher salary than he has been receiving in the past. However, he is going to be asked to do more travelling as a result of receiving a higher salary. Does that answer your question?

Mr. CARTER: That answers my question in part; but the other point I made was that the work this man would have to do was dependent to a large extent on the frequency of the visits from the appeal board.

Mr. REYNOLDS: No, it depends on the frequency of the visits from pension applicants, the number of people who come to interview him. The number of claims he has to prepare is what determines the volume of work.

Mr. CARTER: The point I am making is this: a person from an outlying settlement would not go to the trouble of spending \$200 and take up two weeks of his time to go in to St. John's to see this solicitor unless at the same time there was an appeal board being held there, and he would have the solicitor's services before the appeal board.

Mr. REYNOLDS: No, the normal practice in any client interview is for the legal adviser to see him long before the matter ever gets before the court or the appeal board. His function is to instruct him and tell him what he wants done, where witnesses can be found, and what is the basis of the claim—everything that needs to be done before the appeal board arrives.

Mr. CARTER: That explains why the official in Newfoundland has so few visits and has so little work.

Mr. REYNOLDS: Newfoundland is not any different from British Columbia in that respect. In the case of long distances to remote places, a great amount of this work must be done by correspondence.

Mr. CARTER: Have you not a full-time man in British Columbia?

Mr. REYNOLDS: That is quite true, but nevertheless that does not alter the fact of the distance between the applicant and his adviser.

Mr. CARTER: A full-time official would have much more time to travel and visit the different districts.

Mr. REYNOLDS: He does not travel all his time.

Mr. CARTER: But he would travel a fair percentage of the time.

Mr. REYNOLDS: No, not even a fair percentage of his time; he makes occasional visits to the interior.

Mr. KENNEDY: It is all based on the number of applications.

Mr. REYNOLDS: Most of it is done by correspondence.

Mr. MONTGOMERY: The Canadian Legion does a great deal of it as well.

Mr. REYNOLDS: Yes, and welfare officers of the welfare services help us a great deal. They do a lot of travelling; they interview witnesses and obtain statements for us which help us a great deal.

Mr. CARTER: There is a problem there. The veterans cannot always put on paper the answers to the questions which the solicitor wants.

Mr. REYNOLDS: That is right. He should be interviewed wherever possible; we know that.

Mr. CARTER: Due to the financial circumstances of most veterans in Newfoundland and the time involved in making this trip to St. John's, together with the expenses involved, they are unable to take advantage of the solicitor's advice.

Mr. Mutch: If I understood Mr. Carter correctly he was asking whether or not it would be possible to have the applicant see the advocate at the time the appeal board was there.

Mr. CARTER: Not exactly, but I said that would be helpful.

Mr. MUTCH: The difficulty is this: before the pension commission will set down a case for hearing at an appeal board in Newfoundland, or elsewhere, the advocate has to prepare the case. The applicant has to certify that all the evidence is in and that they are prepared and ready to proceed. That notification then has to come to the commission; and we require at least six weeks' notice, and a sufficient number of cases to arrange our itineraries to have an appeal board sitting. The applicant must certify he has no more witnesses and that all his evidence is in.

Mr. HERRIDGE: Are all persons employed as solicitors by the veterans bureau veterans; and are all the persons employed as solicitors qualified under Canadian law?

Mr. REYNOLDS: In answer to your first question, all the pension advocates are veterans at the present time. We are very alarmed as to whether we will be able to find replacements for them when they retire. We are doing everything we can to ensure they always will be veterans but we are not certain whether or not we will be successful in that respect.

In answer to your second question, all the solicitors or advocates, with the exception of three, are solicitors. To the best of my knowledge they are all qualified solicitors and presumably they are all qualified in some province in Canada.

Mr. MACDONALD (*Kings*): I am still concerned in regard to the question of the hours of part-time solicitors. These men are paid. They are given half the salary of a full-time solicitor, is that not correct?

Mr. REYNOLDS: Yes, approximately.

Mr. MACDONALD (*Kings*): Well, I would prefer to see them take their work to the veterans affairs office and be there at certain hours, rather than to have a veteran come in and say: I want to see the pensions advocate, and he has been there for perhaps an hour and has left. I think that is a very unsatisfactory arrangement as far as the work of part-time solicitors is concerned. The veterans know that they are being paid to give a service and it is equal to half the time of a normal solicitor. I do not think that policy is very good.

Mr. REYNOLDS: Well, I think most of the advocates do have regular hours.

Mr. MACDONALD (*Kings*): But there is nothing laid down, for example, that they should be there from two to five, or two to four, and so on.

Mr. LALONDE: That is pretty hard to do. If a man is in legal practice how can he say he will always be in the veterans office from nine to twelve every morning. He could very well have an importance case in court next Thursday and he cannot be in the veterans affairs office. But if he cannot go in the morning he will have to spend the afternoon there. We cannot lay down a policy that they will have to be there from eight-thirty to twelve-thirty every morning, or from two to five every afternoon. You cannot do that.

Mr. McINTOSH: Why not?

Mr. LALONDE: Because it would be impossible for him to conduct his law practice.

Mr. McINTOSH: He is being paid for it.

Mr. LALONDE: He is only being paid for half a day.

Mr. McINTOSH: That is correct.

Mr. LALONDE: So we do not care whether he gives us the half day in the morning or the afternoon, provided we get a half day every day.

Mr. McINTOSH: That is correct.

Mr. LALONDE: But what Mr. Macdonald wants is for us to say he will have to come in every morning.

Mr. McINTOSH: Or afternoon.

Mr. LALONDE: That is the case now, either morning or afternoon. However, it is not laid down that it will be in the morning or in the afternoon. He has to choose between one of the two every day, but he is not tied down to being there every morning.

Mr. McINTOSH: Supposing the veteran comes in the afternoon; he comes in from some distance and he has to wait overnight to see the advocate the next morning. Why should he have to do that? If it was laid down that he would be there every morning, that would be different.

Mr. LALONDE: They are attempting to make appointments for veterans who come from out of town; and if a veteran writes in and says he would like to see the pension advocate, they will tell him to come in three days from now at nine or ten in the morning. In that case the advocate will be there. But if a veteran does not write in and he arrives in North Bay, for instance, at four o'clock in the afternoon and goes to the district office he may find that the pension advocate is not there in the afternoon but is there in the morning. You cannot help that sort of thing; he will have to wait until the next morning to see the advocate. However, he could still come to the district office and see the assistant to the pension advocate, who is not a lawyer, but who would be able to find out what he wants. In every case he could probably help him out. By the same token, if we suggest they must be there every afternoon, a veteran could very well come in on the morning train and have to wait until the afternoon to see the pension advocate. You cannot lay it down as a hard and fast rule.

Mr. McINTOSH: Are your full-time pension advocates solicitors?

Mr. REYNOLDS: Yes, all but three.

Mr. McINTOSH: Are they allowed to take any other cases?

Mr. LALONDE: They are allowed to do any kind of work outside of working hours.

Mr. McINTOSH: What are their working hours?

Mr. LALONDE: Eight-thirty to five.

Mr. McINTOSH: When a fellow is getting paid half the salary, can you not put down working hours for him as well?

Mr. LALONDE: A fellow who works from eight-thirty to five does not have to run another office, but the lawyer who is giving us part-time services must of necessity, if he is going to earn a living, do some legal business on his own. If we accept that principle, then you have to enable him to conduct that business and you cannot set the hours from two to five in the afternoon, and say: that will be the time when he will attend at the D.V.A. office because he could very well have to appear in criminal court at nine o'clock one day and at two-thirty the next afternoon. The courts are not going to adjust their hours to suit any individual lawyer.

Mr. PUGH: Would it not be a better idea to put the whole thing on a fee basis, as it would seem to me that would be a cheaper way of doing it?

Mr. LALONDE: I think you are getting on slippery ground here. We are convinced that it is cheaper to do it on a part-time basis. We have had some experience with the doctors and the distinction between a part-time duty payment and a schedule of fee is quite pronounced.

Mr. PUGH: Well, being a lawyer myself, it would seem to me that from the point of view of efficiency all around it is much better to have an appoint-

ment, conclude the appointment and put a fee in for that, than taking a half day and possibly trying to fill it in.

Mr. LALONDE: If you are speaking as a lawyer, and I am also speaking as a lawyer, I think we are both in agreement. But I am afraid I have to speak as an administrator at the moment.

Mr. PUGH: I take it your answer then is in two different ways.

Mr. LALONDE: I agree that we must get half a day's work from each part-time advocate every day. However, it should not be laid down that it will always be in the morning or it will always be in the afternoon.

Mr. MACDONALD (*Kings*): I do not agree with the deputy minister on that point. I think we should look at this from the veterans' angle. The veteran should be able to know whether he is going to find a pensions advocate there in the morning or in the afternoon. That has been done in our district in respect of the doctors. A part-time doctor comes in for treatment service in the afternoon and the veteran knows he will be there. He is there for certain hours and he is there to accommodate the veteran for a half day for a specified time. I do not see why the solicitor cannot arrange his program in the same way I think he should. He is getting paid for half a day.

Mr. LALONDE: The specialists in all hospitals are working on appointments. But if a veteran comes in by bus or by train and has made no appointment he cannot be sure he will find a consultant.

Mr. MACDONALD (*Kings*): I was not speaking of specialists. I was speaking of a paid treatment service officer who is employed half-time.

Mr. LALONDE: What treatment officer?

Mr. MACDONALD (*Kings*): There is a doctor employed at Charlottetown half-time.

Mr. LALONDE: I know what you mean. For a time there was a senior treatment medical officer in Charlottetown who was employed only on a half-time basis. He was a man reaching retirement age and had no other practice.

Mr. MACDONALD (*Kings*): He had other practice.

Mr. LALONDE: We did not know about this.

I agree with you it would be better for the veterans to know there is going to be a lawyer in every district office waiting for them. However, I do not think it would be fair to hire a full-time lawyer and pay him as a full-time lawyer when we know very definitely he would not have enough work for more than half a day every day.

Mr. MACDONALD (*Kings*): We are not asking for that. We are asking for a man to be there at specific times; either in the morning or in the afternoon.

Mr. LALONDE: Are we not running around in circles?

Mr. FORTIN: Being a lawyer myself and my brother being a doctor, I agree with the deputy minister. My brother arranges his programs as he wishes, but we do not. If we have a case in court in the morning or in the afternoon we have to be there. If we want the veterans lawyer to be in the office every morning and he should have a case in court in the morning he has to be in court; his case might also come up in the afternoon.

I know a part-time lawyer with the department in Quebec who tried for three months to be there every morning but he could not do it. We do not arrange our work. We are dependent on the court and whenever our cases come up we have to be there.

Mr. McINTOSH: Do not some cases take more than half a day and many of them take three days. In that case you would never be in the office.

Mr. FORTIN: It happens.

Mr. PUGH: What does the solicitor get for half-time or part-time?

Mr. LALONDE: \$3,330 a year.

Mr. PUGH: That certainly would not be out of the way as against a fee basis, if there is full employment for half a day in every day.

Mr. LALONDE: The trouble with a fee basis is that in this line of work it is pretty difficult to say there will be a fee of, let us say, \$200 for every case before the appeal board or \$50 for every summary of evidence. Every case varies so much that you would have to set a scale of fees within the schedule.

Mr. PUGH: Is that not possible?

Mr. LALONDE: It would be very difficult. Certainly from our experience with the medical aspect of the work where we have both part-time payments for some doctors and a schedule of fees for doctors who only work for us occasionally, proportionately speaking it always costs a little more in the schedule of fees than in the part-time payments.

Mr. PUGH: Have we had any complaints that by appointment or otherwise a man has not been able to see a solicitor? Have there been any complaints, or a series of complaints.

Mr. REYNOLDS: I have never had a complaint from a veteran, but I have heard of complaints from veterans organizations. I might say when I was in Saskatoon before I came here I was a practising solicitor and the part-time pensions advocate. I know the problems of a practising solicitor when you get involved in a case which may take several days and you do not do your work as a pensions advocate; but on the other hand you may get involved in an appeal board hearing as an advocate which takes two days, and that means that you are unable to spend that time in your law office. So it balances up.

In Saskatoon I heard of only one complaint that I was not in the office when anyone wanted to see me. I urged everybody to make appointments. If they say they will be there at two o'clock next Thursday, the advocate will be there. If appointments are made it eliminates all that trouble.

Mr. MACDONALD (*Kings*): I think most of the veterans feel they are entitled to find a pensions advocate in the office at a certain time, part-time.

Mr. BATTEN: May I ask a question? On the estimates presented by the department on page 3 under the second column for salaries there is \$589,972 and for travelling expenses, \$18,000; that is on page 3. Coming over to the blue book, the total for salaries is \$598,972; that is for 1958-1959. The total for travelling expenses is \$9,000. Is there any reason for the \$9,000 being moved from travelling expenses?

Mr. MACE: I think, as Mr. Reynolds explained, we ran into a rather heavy removal expense this year and the appropriation which was approved by parliament was inadequate to cover the expenses. We had a little surplus fund in salaries, and with the approval of treasury board, we transferred \$9,000 from one primary to another. The figures you have in the folder I gave you are really the effective figures we worked on. The figures in the blue book were voted by parliament last year.

Mr. BATTEN: Thank you very much.

Mr. MONTGOMERY: Have you had any complaints from solicitors in the districts that they are not receiving very good cooperation from outside doctors? I am speaking of occasions when they are trying to obtain statements from doctors who are part-time or who are these doctors who are looking after the veterans, when they are preparing a case for appeal.

Mr. REYNOLDS: From departmental doctors or ordinary practitioners?

Mr. MONTGOMERY: Is it difficult to obtain that information at times.

Mr. REYNOLDS: There is always some difficulty in securing the attendance of a private practitioner at an appeal board hearing, particularly if he has to travel any distance.

Mr. MONTGOMERY: I am thinking of information in preparing any case.

Mr. REYNOLDS: No. I never heard of any trouble in obtaining the reports.

Mr. O'LEARY: The full-time pensions advocate in Halifax, Mr. Coleman, over and above his pensions work, I believe, handles a great number of inquiries, advises, and initiates procedure on almost every type of inquiry from veterans. We feel this is a very invaluable service. I wonder if you condone and encourage that type of work.

Mr. REYNOLDS: As far as I know, all Mr. Coleman did was prepare claims under the Pension Act and perform the duties of a departmental solicitor.

Mr. O'LEARY: We do use him—I do, and I know of veterans in my constituency who do—on other than pension claims; it is very valuable.

Mr. HERRIDGE: He is to be commended.

Mr. O'LEARY: I certainly commend his work—very much so.

Mr. ROGERS: I do not think this question of the part-time solicitor is settled. I think we are all anxious to see that the veteran gets the best service he can get. I was wondering whether, if you tied a solicitor down, would you get the right kind of a solicitor. There is some merit in what the deputy minister has said. If you are going to get a good solicitor you are certainly not going to be able to tie him down to the mornings. In Toronto you would not get him at \$3,300 a year.

Mr. LALONDE: I believe that they consider their work for the department as a retainer in their over-all practice. I think all of those who have practised law, at one time or another are always tempted, whether it be through government employment or through some other arrangement, to build their office on one or two clients who give them retainers which pay the rent, the secretaries' salaries and then the rest is profit.

Mr. ORMISTON: Gravy.

Mr. LALONDE: These people consider their employment with us as a retainer. However, I must say I am often amazed at the amount of work and time that the part-time advocate gives to these cases.

I know one, for instance, in Kingston, Mr. Cunningham, who is an extremely busy lawyer in civilian practice. He is giving us very good service. As far as pension claims are concerned he is known as one of the better advocates in presenting claims before the appeal boards.

I think for the amount in respect of the retainer that we are getting value worth over \$3,300. We do not have part-time people in very many places; but I am sure where we have part-time men—I think Mr. Carter will bear me out on this as he knows one in Newfoundland who is a first-class lawyer—I think we are very fortunate to have these arrangements in those places.

The CHAIRMAN: We have passed the twelve-thirty mark, gentlemen, which is normally the hour for adjourning. I see one or two members who wish to ask questions. Shall we wind up the veterans bureau during the next few minutes or shall we adjourn?

Mr. MONTGOMERY: I move we adjourn.

The CHAIRMAN: I would remind you that on Monday we will have the war amputations and the Hong Kong veterans association before us. The hour of the meeting will be eleven o'clock.

The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

Estimates 1959-60 of the Department of Veterans Affairs

MONDAY, MARCH 9, 1959

WITNESSES:

Messrs. Alan Bell, Keith Butler, A. J. Parsons and Allan Piper of War Amputations of Canada; Messrs. Charles Clark, Lionel Hurd, John Stroud and Walter Henderson of the Hong Kong Veterans Association of Canada; Mr. Paul Theriault, Secretary of War Claims Commission; Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs and Mr. Leslie A. Mutch, Acting Chairman, Canadian Pension Commission.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.,

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (<i>Kings</i>)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

House of Commons, Room 112-N

MONDAY, March 9th, 1959.

The Standing Committee on Veterans Affairs met at 11:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Badanai, Batten, Benidickson, Broome, Carter, Clancy, Dinsdale, Fane, Herridge, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, McRae, Matthews, McIntosh, Montgomery, O'Leary, Ormiston, Parizeau, Pugh, Robinson, Rogers, Speakman, Stearns, Stewart, Thomas, Weichel.

In attendance: From the Department of Veterans Affairs: The Honourable A. J. Brooks, Minister of Veterans Affairs; Messrs. L. Lalonde, Deputy Minister, F. T. Mace, Assistant Deputy Minister; L. A. Mutch, Acting Chairman, Canadian Pension Commission; F. J. G. Garneau, Chairman, War Veterans Allowance Board; G. H. Parliament, Director-General, Veterans Welfare Services, P. E. Reynolds, Chief Pensions Advocate; C. F. Black, Secretary of the Department; R. Bonnar, Assistant Departmental Secretary; J. E. Walsh, Director of Finance, Purchasing and Stores, with his assistant Mr. A. F. Graves; Mr. J. G. Bowland, Research Adviser, Mr. G. S. Way, Chief of Information

From the War Amputations of Canada: Messrs. Alan Bell, Dominion Secretary; Keith Butler, Council Member; A. J. Parsons, Dominion Treasurer, and Allan Piper, Special Services officer.

From the Hong Kong Veterans Association of Canada: Messrs. Charles Clark, National Secretary, Toronto; Lionel Hurd, Ray Stoddard, Sawyerville, P.Q.; Bert Delbridge, Winnipeg, John Stroud, Walter Grey, Toronto; Walter Billson, Walter Henderson, John McKiver, Sherbrooke.

From the War Claims Commission: Mr. Paul Theriault, secretary.

The Chairman invited the Minister to address the Committee, whereupon Mr. Brooks welcomed the two delegations appearing.

It was agreed that the two submissions would be read one after the other, and that questions be deferred on either one until after completion of the reading of the briefs.

Mr. Alan Bell read the brief on behalf of the War Amputations of Canada, and Mr. Lionel Hurd read the brief on behalf of the Hong Kong Veterans Association of Canada.

The Chairman then read a telegram from Mr. Stanley Harpham, President, Canadian Corps Association, in support of the brief being presented by the Hong Kong Veterans Association of Canada.

The Committee then considered the brief presented on behalf of the War Amputations of Canada, with Messrs. Bell, Parsons, Butler and Piper under questioning. Messrs. Lalonde and Mutch were also questioned on various aspects of the brief.

At 1:05 o'clock p.m. the Committee took recess.

The Committee resumed at 3:30 o'clock p.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Badanai, Batten, Benidickson, Broome, Carter, Clancy, Dinsdale, Fane, Herridge, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, MacRae, Matthews, McIntosh, Montgomery, O'Leary, Ormiston, Parizeau, Peters, Pugh, Rogers, Speakman, Stearns, Stewart, Thomas, Weichel.

In attendance: All those listed as in attendance at the morning sitting with the exception of Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board.

The Committee continued consideration of the brief of the War Amputations of Canada.

At the conclusion thereof the Chairman thanked Mr. Bell and his associates for their contribution on behalf of the War Amputees. Mr. Bell in turn thanked the Chairman and the Committee for their consideration.

The Committee then considered the brief submitted on behalf of the Hong Kong Veterans Association of Canada.

Messrs. Hurd, Clark, Henderson and Stroud spoke on behalf of the Association, while Mr. Paul Theriault, Secretary, War Claims Commission, and Mr. Mutch, Acting Chairman, Canadian Pension Commission, answered specific questions relating to the brief of the Hong Kong Veterans Association of Canada.

At the conclusion of the study of the brief by the Hong Kong Veterans Association of Canada, Mr. Broome moved, seconded by Mr. Stearns, that copies of the War Claims Report of the Advisory Commission of February 25th, 1952, by Honourable J. L. Ilsley, Commissioner, be supplied, if available, to all members of the Committee.

Mr. Clark thanked the Chairman and Committee for the reception accorded the delegation of the Hong Kong Veterans Association of Canada. The Chairman in turn thanked Mr. Clark and his associates for their valuable submission.

At 5:30 o'clock p.m. the Committee adjourned to meet again at 11:00 o'clock a.m., Thursday, March 12, 1959.

Antoine Chasse,
Clerk of the Committee.

EVIDENCE

MONDAY, March 9, 1959.

11 a.m.

The CHAIRMAN: Order, gentlemen, we have a very good turnout bright and early on Monday morning. No doubt this is due to the influence of the marching farmers who arrived in Ottawa this morning.

Mr. BROOME: You mean this is a safe haven, Mr. Chairman?

The CHAIRMAN: We have also other groups of distinguished visitors to Ottawa this morning in the persons of members of the war amputations association and the Hong Kong veterans association. They will be presenting briefs to us, and then we can discuss the substance of the briefs as soon as it is desired by the members of the committee.

We also have the minister, the Hon. Alfred Brooks, with us this morning. We are very pleased, Mr. Minister, that you can be with us to extend official words of welcome to these associations. The minister's duties are onerous and if it meets with the approval of the members of the committee, perhaps it would be advisable to have both briefs read while the minister is with us; and then we could delay the discussion until after the second brief has been read. What are your wishes in this regard?

Agreed.

The CHAIRMAN: Without any further ado, Mr. Minister, the committee is yours.

Hon. ALFRED BROOKS (*Minister of Veterans Affairs*): Thank you very much, Mr. Chairman. It gives me great pleasure to hear the chairman say my duties are onerous. A lot of people do not recognize that; they think ministers have nothing to do at all.

Mr. STEWART: Pretty soft.

Mr. BROOKS: It is a pleasure for me to welcome the two groups that are here this morning; they are not strangers to me. I have sat in on a good many committees with them when they presented their briefs on former occasions. I have formed many personal friendships with the members of the war amputees and Hong Kong veterans; and I want to say to them personally, collectively and individually, that I am very pleased indeed to meet them here again this morning. I know the chairman is very pleased to have them come to the committee and present their briefs.

I think I have a fairly good idea of the subject matter of the briefs, both of the Hong Kong veterans and the war amputees. I can assure them they will have very sympathetic consideration from this committee. I might say I do not wish to flatter these gentlemen; but they are a very good committee indeed, and I am sure they will give every consideration to the briefs that will be presented. These, of course, are matters which the government has to consider and we will not know what action will be taken until later on.

I do not think there is anything further I wish to say, Mr. Chairman, at the present time, except again to express my pleasure at seeing the members of this committee here this morning.

Oh yes, there is another matter to which I would like to refer. I would say to the members of the war amputees that I am a little disappointed that my good friend, padre Lambert is not here. As far as our war veterans are concerned he has become an institution. He has been attending all our meetings for a good many sessions. I am sorry he is not here, but I am pleased to hear his health is quite good. I am sure we all know while he is not here in body he is certainly here in spirit. We all miss him very much.

We have, of course, three members of the House of Commons who belong to the war amputees, Mr. Weichel, Mr. Pierre Sevigny and Mr. Kennedy and we are very proud of their representation in the house. We are very pleased that we have these very distinguished members. Mr. Weichel and Mr. Kennedy are members of this committee.

The CHAIRMAN: Thank you very kindly, Mr. Minister, for your words of welcome.

The first presentation will be made by representatives of the war amputations association. Mr. Alan Bell, the dominion secretary, will present the brief.

Perhaps we should introduce the group of four who are supporting Mr. Bell this morning. There is Keith Butler who comes from Kitchener; he is a member of the council. I presume Mr. Butler is a very close friend of "Mike" Weichel.

Mr. WEICHEL: They all are.

The CHAIRMAN: And we have Mr. "Jim" Parsons, who is the dominion treasurer—he is the custodian of the treasury; and Mr. Allan Piper who, I believe, is the special services officer as well as being the manager of the car licence tag operation. I hope everybody has subscribed to the car licence tag operation this year.

Mr. ALAN BELL (*Dominion Secretary, War Amputations Association*): Mr. Chairman, Mr. Minister, and gentlemen: I may say also that we are sorry Padre Lambert, our dominion president, cannot be with us today. However, he has sent us here to do this job. We are looking after him and he has our blessing.

The brief is before the committee, and I would like to read it. When I come close to the end of this brief, there is one small matter which was brought to our attention before we left Toronto yesterday that I would like to comment upon.

This submission is made on behalf of a specific group of Canada's high disability pensioners—The War Amputations of Canada. Ours is not a large membership and, through death, it is decreasing rapidly. Our total membership at the moment is 2,600.

We wish to assure you of our appreciation of the opportunity afforded us of presenting for the consideration of this committee certain matters which are of serious concern to the members of our organization. We are hopeful that an exchange of viewpoints will prove to be a means of reaching mutual understanding.

Our association also wishes to express its thanks for the various changes in veterans' legislation during the past year, which have resulted in material benefits to our members. There are, however, major problems which, in our opinion, remain unsolved. It is our purpose today to present to you our reasons for seeking legislative action to remedy them.

Hospitalization and Treatment

The question of free hospitalization and treatment of non-pensionable disabilities of the war disability pensioner is one that has been of grave concern to our membership for many years. Even with the removal of pension as income from the means test applied under section 13 of the treatment regulations, which

took effect last year, the high disability pensioner still lacks adequate protection from financial disaster due to injury or disease not directly attributable to his war service.

As evidence of this concern, a resolution was passed at our last convention in Victoria, B.C., in October 1957, giving a mandate to our dominion executive to proceed with a publicity campaign with the object of informing the Canadian public that major war disability pensioners were ineligible for free hospitalization and treatment for all conditions—a fact of which the majority of people seem unaware.

The officers of our association decided that, before embarking on such a campaign, it would be only fair and reasonable to place the views of the membership before the government in order to provide an opportunity for study and consideration of appropriate remedial action.

There is no doubt that amputation imposes a continuous physical and nervous strain on the disabled individual, which frequently results in disorders which reasonably might be attributed to his disability. Whether these conditions are related directly or indirectly to his disability the war disability pensioner feels justified in asking governmental responsibility for his care.

In provinces which have adopted the hospital care insurance he is relieved of the cost of hospitalization, but he still is forced to pay medical and surgical charges of amounts which may leave him financially crippled—and very often do.

The high disability pensioner—who has consistently made a valiant effort to rehabilitate himself—is aware that war veterans' allowance cases are automatically accorded free hospitalization and treatment at all times for any condition. It is not surprising that he feels with considerable indignation he is being discriminated against. It is our firm belief that the seriously disabled veteran in receipt of pension should not be penalized because of his successful efforts to obtain and hold employment in an endeavour to provide a measure of security for himself and his family.

We ask your thoughtful consideration of this exceedingly important matter, and of our request for amendments to the veterans treatment regulations which will remove the present causes of distress and resentment among the members of our association.

Pension—Basic Rate

It is the contention of our membership that, due to the decreased value of the dollar and the increased cost of living, real hardship is being experienced by the war disability pensioner.

When the pension came into being in 1916, the basic rate was established on the earning power of unskilled labour, the rate set for 100 per cent war disability being \$600 per annum, or \$50 per month.

While this has been augmented from time to time over the intervening years, increases have lamentably failed to keep pace with earnings of unskilled labour which, at present (according to the dominion bureau of statistics) is between \$250 and \$300 per month, as compared with the maximum war disability pension of \$150 per month.

It is also to be noted that when the last increase came into effect on July 1, 1957, the wife's allowance was raised to \$50 per month, but no provision was made for an advance in the rate payable for the pensioner's children. It cannot be denied that if the cost of living has increased for the pensioner and his wife, it has increased correspondingly for his children.

We bring these facts to your attention with a request that this committee will recommend to the government that favourable consideration be given to granting an increase of 33½ per cent in the war disability pension across the board.

Damages—Accidental Death

Under present legislation (sections 20, 21 and 22 of the Pension Act), the widow of a pensioner in classes 1 to 11 who is killed as the result of negligence of some person, is not allowed damages without a commensurate reduction in her widow's pension. In other words, Canada, not the widow, receives the damage settlement, although the widow is liable for hospital, funeral, and other expenses incurred by the accidental death of the pensioner.

It is our considered opinion this practice is grossly unjust, and we do not believe it is the intent of either parliament or the Canadian people that the widow of a pensioner should be thus penalized in such circumstances.

Private resources are not considered in the payment of old age pension at 70 years of age. The value of a deceased's estate is not taken into consideration in civil courts when judgment is awarded to widows in cases of accidental death. Why, then, should pension payable to the widow of a pensioner—which we maintain is hers "as of right"—be subject to the procedure now in force under the Pension Act when she is awarded damages?

We would strongly recommend that the relevant sections of the act be amended to provide that damages recovered for the accidental death of a pensioner in classes 1 to 11 shall not be taken into consideration in relation to payment of pension to his widow.

Imperial Pensioners' Widows

For several years before the widows of Canadian high disability pensioners who die from other than pensionable causes were granted a pension, a resolution seeking this was pressed consistently as "No. 1" in our program. Recent convention resolutions ask that a similar benefit be granted to widows of high war disability ex-imperials, with twenty or more years of residence in Canada.

No one can deny that the widow of the high disability ex-imperial is in a most unenviable position by direct comparison with the widow of a high disability Canadian ex-serviceman, who has benefited from her husband's much higher disability pension during his lifetime, and is guaranteed \$115 pension a month after his death.

The widow has not the slightest responsibility for the fact that her husband served in the British forces. She is simply a female Canadian citizen who is debarred from benefits open to other female Canadian citizens under parallel personal circumstances, due to causes over which she had no control. Her national contribution in caring for a war-disabled citizen is in no way inferior, and her comparative need cannot be questioned.

These facts place her claim on a different plane from that on which pension requests on behalf of living ex-imperials must necessarily be considered. That this belief is reasonable can be assumed from the fact that certain ex-imperials are now granted the benefit of war veterans' Allowance after ten years residence in Canada. They had no established right to it, statutory or otherwise. But, due to circumstances beyond or within their control, they became Canadian citizens in need because of their service in the common cause. We ask that the high disability ex-imperial widow's problem be approached from a similar standpoint.

To illustrate the contribution in citizenship made by our ex-imperial members and the widows they may leave behind them, we wish to quote figures. Of the 70 ex-imperials in our association, 47 are married men on imperial rates, and their widows, in all probability, will not be entitled to pension from the British government. 28 of these are 1st war, and their average of residence in Canada is 33 years. 19 of them were married in Canada to women already established here, and in 7 of these marriages the woman was also born in Canada. The average length of married life is 25 years. The remaining ex-imperials on imperial rates are 2nd war, and their average residence in Canada is 8 years.

The Children of War Dead (education assistance) Act

Our association was very much interested in the amendments to this act which were introduced and approved at the last session of parliament. Our views were communicated to the chairman of this committee, who was kind enough to read them into the proceedings of your meeting of August 1st.

Ever since the inception of this act, our association has felt that it should be broadened to include certain groups whose deaths occur subsequent to war service, and are not directly attributable to war service.

We were encouraged by the decision of parliament to include the children of those who lose their lives while serving with the armed forces in peace time. It was our hope that the amendment would also encompass the children of members of this association pensioned under classes 1 to 11 of the Pension Act, on whose behalf pension continuous to be paid, regardless of the cause of death of their fathers.

At present the wording of the act is obscure in so far as the position of the children of our members is concerned, when death occurs as a result of non-pensionable condition. At our last convention a resolution was passed, requesting that clear entitlement be established in the act for the children of of pensioners in classes 1 to 11.

One of the provisions of the veterans charter was the opportunity of a university education afforded those who served in World War II. It is the conviction of our members that similar opportunities should be made available by the federal government for the children of those who were seriously disabled in that war, and whose lives have been, and are being, foreshortened.

Conclusion

In conclusion, we wish to express our appreciation of this opportunity which you have given us to express our views, and for your courtesy in receiving us today. If you have any questions, or would like further information concerning the points covered in our brief, we shall do our best to be helpful.

Mr. Chairman, I wonder if I may comment on one other item that was brought to our attention? I would first like to read this to you.

Just before we came away we learned of a new ruling by the Canadian pension commission on the subject of consequential disabilities. It concerns aggravation by pensionable conditions of post-discharge conditions—consequential disabilities. It appears to introduce an entirely new principle to the administration of pension legislation, a principle which is contrary to previous policy of long-standing duration concerning consequential disabilities. As far as we can learn, there is no provision in the Pension Act for this change in procedure, unless, of course, the commission is acting under section 5 of the act, which gives it unrestricted authority and jurisdiction, subject to the provisions and regulations of the act.

To illustrate the change in procedure, let us use the case of a war veteran who is pensioned at the rate of 80 per cent for amputation of the left leg above the knee. In post-war years he suffers injury to his other leg. After treatment and medical opinion, the commission rules that he has a consequential disability in his other leg which most likely would not have arisen had it not been for his war amputation, and they rule that the other leg is disabled to the extent of 20 per cent. In making such awards through the years, the commission has ruled them as "related to the pensionable disability and to carry the same entitlement".

Now, however, under new policy, the commission will determine the degree of aggravation over a given period during the post-war years, and take a fraction of it, for example, $\frac{1}{5}$, $\frac{2}{5}$, or $\frac{3}{5}$ so that in the example I have used the 20 per cent disability could be reduced to 4 per cent, 8 per cent, and 12 per cent.

It is, therefore, alarming to our association, as it will be to other major disability groups, that this new policy has been introduced. We contend that if the pensioner had not sustained a war disability during service, he would not have developed the consequential disability. We believe the pension commission shared this view in dealing with hundreds of such cases over the past several years by granting pension for the full degree of the consequential disability. If this new ruling continues in effect, is it the intention of the commission to review the large volume of previous awards for related disabilities, and change the basis of entitlement by attempting to assess the degree of post-war aggravation?

We bring these views to your attention, with the request that the policy be reviewed in the light of the remarks we have made today.

Thank you again, Mr. Chairman, and I repeat that if we can be helpful in answering any questions we will be glad to do so.

The CHAIRMAN: Thank you, Mr. Bell.

Mr. HERRIDGE: Mr. Chairman, in order to develop orderly discussion I suggest the members ask their questions on each recommendation in succession.

The CHAIRMAN: Yes. Were you here, Mr. Herridge, when we commenced our sitting this morning?

Mr. HERRIDGE: Pardon me; I am sorry. I came later.

The CHAIRMAN: We are going to proceed with both briefs while the minister is here. Then, we will follow your suggestion of covering the discussion on an orderly basis.

Representing the Hong Kong veterans association we have quite a substantial delegation this morning from various parts of Canada. Before we call their spokesman I think we will have each representative stand and make his bow so that he can be properly identified. I have a list, but I do not know whether or not it is in order. I will call the names of the representatives as they appear on the list which I have before me.

Mr. Charles Clark, who is the national secretary, from Toronto; Mr. Lionel Hurd, from Sawyerville, Quebec; Mr. Roy Stoddard, also from Sawyerville; Mr. Bert Delbridge, from Winnipeg, Manitoba; Mr. John Stroud, from Toronto; Mr. Walter Grey, Toronto; Walter Billson, Sherbrooke; Walter Henderson, Sherbrooke—there are a lot of "Walters" here this morning—and John McKiver from Sherbrooke. I believe that covers the whole group, Mr. Clark?

Mr. CHARLES CLARK (*National Secretary, Hong Kong Veterans Association*): Yes, Mr. Chairman, that covers the whole group.

The CHAIRMAN: Now we will be pleased to listen to your presentation.

Mr. CLARK: Mr. Chairman, Mr. Minister, Captain Hurd is going to present the brief because my eyesight is bad. Would you like Captain Hurd to go ahead?

The CHAIRMAN: Captain Hurd, will you proceed?

Mr. LIONEL HURD (*Hong Kong veterans Association*): Mr. Chairman and members of the standing committee on veterans affairs: I regret to inform you that Mr. "Cliff" Roy, our national chairman, who works on war claims, is unable to attend here this morning, due to ill health in his family. I am sure you would have been very pleased to have him. He has been a spark plug in our organization ever since it started. The task falls on me to represent him here this morning.

I believe it is permissible for me now to proceed with reading our brief. Before I commence, I would like to mention that we have been on many occasions in contact with the Minister of Veterans Affairs. I assure you we have always received all the courtesies anyone could expect. On many occasions we have sought his very sound advice. As you realize, the Hong Kong veterans are an association. We have four branches, one in Toronto, one in

Quebec, and one in Winnipeg, and we are very pleased that we are now having one in Vancouver. That one completes our organization. In our ill-fated force "C", as the Hong Kong veterans are now known, we have people living from St. John's, Newfoundland right across to the other side of our country, on Vancouver island. I think we have something like twenty members on Vancouver island. *Our brief was amended to date of 11 Sept. 1958 (This brief cancels all previous briefs re claims for forced labour) to be presented to the honourable Henri Courtemanche, Secretary of State and the honourable A. J. Brooks, Minister of Veterans Affairs on behalf of the Hong Kong veterans association of Canada (ex-prisoners of war of the Japanese.)*

Whereas:

The Geneva convention of 1929 was signed by Germany, Italy and Japan, but not ratified by Japan. However, Japan notified the protecting powers that she would apply and uphold the 1929 Geneva convention and signed an agreement to this effect in Berne, Switzerland in February 1942 according to Mr. Claud Pilloud, central agency for prisoners-of-war. Mr. Pilloud states that Canada was represented and was a party to the agreement. It is clear, therefore, according to the best legal authority in the United States, England and Australia, that Japan was bound to apply the terms of the convention as were the other nations who signed and ratified it relating to the treatment of prisoners-of-war.

The Geneva convention states (in part):

Article 1. Prisoners-of-war must be at all times humanely treated, and not subjected to acts of violence or insult.

2. Adequate housing, similar to that used by the captor power.

10. Food to be similar to quantity and quality as that supplied to depot troops of captor power. Collective disciplinary measures regarding food prohibited.

11. Clothing and footwear to be supplied and regularly replaced.

12. Proper sanitation of camps, prevention of epidemics, proper sanitation and washing facilities must be supplied.

13. Adequate sick quarters and medical treatment to be provided.

14. Prisoners are not to be used as slave labour.

29. Prisoners are not to be used in any work directly connected with the operation of war.

31. Prisoners are not to be used for dangerous or unhealthy work.

And whereas:

Japan did for almost four years, starve, torture, murder, deliberately withhold medical treatment, use prisoners-of-war as slave labour on war operations, force them to labour in dangerous coal, copper and iron mines, without safety devices, withheld and stole food, clothing, medical supplies sent by the International Red Cross. Japan thereby flagrantly broke the Geneva convention of 1929, and the agreement ratified at Berne, Switzerland, in February 1942.

Therefore be it resolved:

1. That the Secretary of State for Canada and the Minister of Veterans Affairs be notified that the Hong Kong veterans association of Canada representing all Canadian ex-prisoners-of-war of the Japanese do make claim against monies held in the Canadian war claim fund realized from enemy assets held in Canada at the conclusion of World War II—that this claim be to the amount of \$1.50 per day per man for forced slave labour for the Japanese.

2. That the Secretary of State be requested to have the war claims regulations amended to provide for the payment of \$1.50 per diem per man for forced slave labor by the Japanese from the war claims fund to the Hong Kong ex-P.O.W.'s.

3. The United States government paid out of enemy assets to all prisoners-of-war of the Japanese entitled to a war claim, \$1.00 per day for starvation and maltreatment and \$1.50 per day for forced slave labour, for each day spent in Japanese prison camp. It is understood that the Australian and New Zealand governments also paid out similar amounts to former prisoners-of-war of the Japanese.

4. It may also be pointed out that these prisoners-of-war were deprived of any opportunity of promotion in ranks.

If you will excuse me, I would like to add a little note here. I understand the American forces which would include at least those people who were in the battles of Bataan and Corregidor and in that specific area at that time, were all upgraded one rank.

It is to be noted that American prisoners-of-war in the far east were automatically upgraded a rank on release from internment.

5. That the Hong Kong veterans association of Canada be reimbursed, in part, to the extent of \$15,000 for the cost of making all their representations to Ottawa on behalf of their veterans. This money could have been used for badly needed welfare work among the veterans.

May it be drawn to your attention, please, that the veterans charter of Canada states in the foreword: "Canada has brought forth legislation for veterans which is surpassed by no other nation." We only request that this Legislation be honoured.

My colleagues have adequate proof for all the statements I have read to you from this brief. Thank you.

The CHAIRMAN: Thank you, Captain Hurd.

Now, gentlemen, first we will proceed to consider the brief presented by the war amputations association of Canada.

However, before we launch the discussion, I have a telegram to place on the record from Mr. Stanley Harpham, the president of the Canadian corps. The telegram reads as follows:

Mr. Walter Dinsdale,
Chairman,
Standing Committee on Veterans Affairs.

The Canadian corps association strongly supports the brief being presented on March 9 by the Hong Kong veterans.

It is in reference as you will have seen, to the Hong Kong veterans, so it comes at the right place in our discussion.

Having placed that telegram on the record, shall we proceed to a discussion of the war amputees brief. The first subject on page 1 is hospitalization and treatment. Are there any questions? Mr. Bell, do you want to take your place in the seat of honour. Mr. Bell will answer any questions you wish to propound.

Mr. BADANAI: Could we have the number of those disabled and in hospital now, by provinces?

The CHAIRMAN: Do you mean the number by provinces of the members of the association?

Mr. BADANAI: Yes.

Mr. BELL: I am sorry, but I do not have those figures.

Mr. McINTOSH: I wonder, Mr. Chairman, if under each one of those headings we could have a summarized statement by one of the veterans and then an answer by the department as to why it was not put into force. In this way, it would give us a little background.

The CHAIRMAN: Well, Mr. McIntosh, I think the submission of the brief covers the summary. Is there any point you wish to have enlarged upon?

Mr. McINTOSH: I would like to hear what the department has to say. I presume this has all been brought up before, and denied.

Mr. HERRIDGE: Mr. Chairman, the officials of the department could explain the actual regulation to members of the committee, but I do not think officials should be called upon to say why certain things had not been done; they are not responsible.

The CHAIRMAN: I think, Mr. Herridge, you are quite right in that interpretation; and I think all that the officials of the department can do this morning, Mr. McIntosh, is produce statistics by way of qualification, or information that would provide a helpful background.

Mr. HERRIDGE: I suggest that what Mr. McIntosh is seeking is an explanation from a suitable official of the department regarding treatment regulations, under which this section deals.

Mr. McINTOSH: Yes, that will bring it out.

The CHAIRMAN: Unfortunately, Dr. Crawford is not with us this morning. As we learned in our committee last week, he is absent from the city this week. I do not think there is anyone who can substitute for him in order to provide the information you require.

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): I am unable to substitute for Dr. Crawford.

The CHAIRMAN: You are just too modest.

Mr. LALONDE: I say this for many reasons. First of all, I can never reach his height, nor do I possess the knowledge of medicine which he has.

The CHAIRMAN: I presume all the gentlemen with us this morning are acquainted with Colonel Lalonde, the deputy minister.

Mr. THOMAS: Along that line, one of the first things we come to is the matter of hospitalization; and that brings into question the effects of the new national hospitalization plan as it was put into effect in the various provinces. I believe Mr. Lalonde or the minister could summarize briefly for us what the thinking is in regard to this matter. It might help us to understand it better.

Mr. LALONDE: Mr. Chairman, I can only state what the present policy is and how it applies. The policy all along has been that a disability pensioner is entitled to free treatment at any time for his pensionable disability. He gets that treatment under specific sections in the treatment regulations, sections 5, 6 and 7 among others.

In addition to that, certain other groups of veterans who have no entitlement as of right, in the same way that pensioners do, have been made eligible under the treatment regulations. The most imposing group amongst these is the group composed of war veterans allowance recipients.

The policy has been followed that, for treatment purposes, these veterans can be considered as indigent and therefore can be treated for any disability at any time while they are recipients of war veterans allowance. They receive that treatment under section 12 of the treatment regulations.

In addition to that, there are other veterans who are non-pensioners—and veterans who are pensioners—who can receive treatment under section 13.

This section was designed for the purpose of affording treatment on a graduated scale to a number of veterans who, because of their economical circumstances, could not afford to pay all or part of the treatment which they needed.

Then, in addition to that, under section 23 of the regulations any veteran can come into hospital and receive treatment, if he pays the cost of it. This last group is composed of all those veterans who are financially better off than the other groups.

Under section 13 the government recognized last year that the high disability pensioner who had no other income was placed at a disadvantage. This was because the veteran's pension was the means by which he exceeded the amount laid down under section 13 of the regulations to determine the scale of payment. The policy was approved of, exempting the pension completely. Previous to that, 25 per cent of the pension was exempt; but as of last year the whole pension has become exempt. Therefore a high disability pensioner who has no other income can come in under section 13 and receive treatment, and either pay no part, or a small proportion of the cost.

A high disability pensioner who has other income which places him above the maximum level is in the same position as the veteran who is hospitalized under section 23 and has to pay the cost. In the main, those are the four groups of veterans eligible for treatment under the regulations.

The CHAIRMAN: Are there any further questions, gentlemen?

Mr. CARTER: Mr. Chairman, it has been said that the total membership of the association is 2,600, and that is probably decreasing. Can the witness say how many wives there are in Canada? Are all the wives included in this figure of 2,600? How many would there be outside this association?

Mr. BELL: Mr. Chairman, this is based on what we call "regular membership". In other words, we have a record of 2,600 war amputation cases. I would say there could be maybe another 800 war amputation cases of whom we have no record. We know there are about another 800.

Mr. CARTER: 3,500 people are affected?

Mr. BELL: From both world wars and Korea.

Mr. MONTGOMERY: Mr. Chairman, I would like to ask Mr. Bell, in view of the deputy minister's explanation as to treatment, whether he feels that they should receive something special, something more than the other disability pensioner?

Does your group, in view of the explanation given, still feel that you are not treated equally? In view of the deputy minister's explanation on the treatments, Mr. Bell, does your group still feel that they are not being treated equally, compared with other disability cases?

Mr. BELL: Of course, under the present regulations we are receiving equal treatment; but it is our contention that the regulations should be drawn to afford us the same treatment as war veterans allowance cases receive.

Mr. MONTGOMERY: You are, are you not? What is the difference? A war veteran cannot get war veterans allowances, can he, unless he is a pretty poor man?

Mr. BROOKS: Unless he is indigent and cannot afford it.

Mr. BELL: If I may, I would like to ask Mr. Allan Piper to say something on this resolution.

The CHAIRMAN: Certainly.

Mr. ALLAN PIPER: Mr. Chairman, actually what we seek here is something that has been requested over many years—that is, free treatment for any and all conditions.

I have attended a number of your committee meetings in the past and I can recall—and I think some of the members of the committee here will probably recall the same thing—that many members of the committee expressed surprise on learning that the 100 per cent, or high disability pensioner, was not entitled to treatment for all conditions, whether pensionable or otherwise, if he required hospitalization and treatment.

The point that we are getting at here is that a disability pensioner has to work hard to accrue a little nest egg. He has to work harder than the ordinary individual. But if anything should happen to him and he should require prolonged treatment and hospitalization for a non-pensionable disability, that little nest egg is very quickly, under present conditions, depleted. That is actually the bone of contention we have with this particular regulation; it does not cover us for conditions other than pensionable disability.

Mr. HERRIDGE: Mr. Piper, is it correct to ask this question of you? Although a number of your members would earn something in addition to their pension and are thereby denied by the present regulations the right to receive free treatment, a good percentage of them need this free treatment because of the limited nature of their assets?

Mr. PIPER: That is right.

Mr. LALONDE: If they have qualified under section 13 as far as assets are concerned, they can get treatment either free or at the reduced scale.

There is one other thing I forgot to mention when I was giving the details of the treatment. In the case of a disability pensioner coming in to be treated for his pensionable disability, and needing treatment for other disabilities at the same time, there is no charge made for the treatment of those other disabilities.

Mr. HERRIDGE: I have experience of that, Mr. Minister. I was examined only a year or two ago and I was very pleased with the footnote on the medical report, which said, "All Mr. Herridge's organs are those of a man ten years his junior."

Mr. ROGERS: Mr. Piper, in view of the deputy minister's clarification on this point and the government's reassessment, is this still an issue?

Mr. PIPER: Absolutely, sir.

Mr. ROGERS: I would like to be able to see it. I just cannot see it.

Mr. MONTGOMERY: I would like to ask another question of the deputy minister or the minister, Mr. Chairman. Let us consider the case of a man who works. What is the level of wealth or income he must have before he gets free treatment? Can you give us any idea as to that?

Mr. LALONDE: Yes, Mr. Montgomery. That is governed by a scale set by treasury board in conjunction with the treatment regulations governing eligibility under section 13 of the regulations.

The basis of eligibility is what we call "adjusted income". This is arrived at by taking the veteran's actual income for the past six months and his anticipated income for the next six months—that is, his gross income for that period—and from that is deducted all of his pension, if he is a pensioner; also, \$660 for his first dependant and \$150 for each additional dependant.

Mr. MONTGOMERY: That is per annum?

Mr. LALONDE: Yes. That is deducted from the amount of gross income that we have assessed in the first place.

We also deduct from the balance any amount in excess of 3 per cent of his income which he has spent in the past year on medical or hospital expenses either for himself or for any member of his family.

Mr. BROOME: Does that include dental treatment?

Mr. LALONDE: Yes, the same as for income tax purposes.

Mr. STEWART: That is 3 per cent of the gross earnings for the year?

Mr. LALONDE: Three per cent of the gross earnings. Anything in excess of that is deducted.

He is not eligible for treatment under section 13 if that adjusted income exceeds \$2,500 a year. When all the adjustments have been made, this means that a man with a gross salary of between \$3,600 and \$4,500, depending on the size of his family, can be eligible under section 13.

Then there is a graduated scale of charges. If a man's adjusted income is less than \$1,080 a year, he pays nothing. If it is more than \$1,080 but less than \$2,500, he pays 2 per cent of his adjusted income for each \$100 of his income. He pays that amount as the cost of his hospitalization.

The net result is that a man with a low income can be in hospital for a long period with no charge. A man with a fair income—let us say, an adjusted income of \$2,400—can be in hospital for two days and he will have to pay the full charge for the two days. But there is a ceiling over which he will not pay during any one year.

And that is the ceiling set by the scale, here. So that the purpose of this section is to prevent the sort of thing that has been worrying the association in their brief this morning—that is, the very high expenses for a prolonged hospitalization.

Mr. BROOME: What is the ceiling?

Mr. LALONDE: \$2,500, adjusted income.

Mr. BROOME: But you said extraordinary expenses.

Mr. LALONDE: The maximum is about \$480.

The CHAIRMAN: I might say at this point that there is an excellent little booklet summarizing all these measures under the title of "When Illness Strikes"; and I presume, Mr. Black, that that is being supplied, along with the documents requested the other day.

Mr. C. F. BLACK (*Departmental Secretary, Department of Veterans Affairs*): No, the present booklet is somewhat out of date. We prefer not to issue it when it is not accurate.

Mr. PUGH: Mr. Chairman, when mention was made in regard to deductions made, I gathered it all applied to income. Does it make any difference at all what capital assets a man might have—house or bonds, or whatever he may have? Does that apply?

Mr. LALONDE: Yes. No charge will be made at any time in respect of resources, which charge would reduce the resources below \$500 where there are no dependents and \$1,000 where there are dependents, and where treatment is for less than thirty days.

Mr. PUGH: Well, what I was getting at is the basis of the adjusted income. You take his income for six months previous, and you make certain deductions. There was no talk there of a man's capital assets.

Mr. LALONDE: That is what I am explaining now.

Mr. PUGH: How can they make a payment from a man's capital assets?

Mr. LALONDE: They do not.

Mr. PUGH: Where does this \$500 come in?

Mr. LALONDE: If the veteran has cash assets; because resources means cash in hand or in the bank, negotiable bonds or marketable resources—that is what we mean by resources, not a house or a car. We mean negotiable assets. If he has those and his treatment is for less than thirty days, and he is married, no charge against his assets will be made, if they are \$1,000 or less; but if he has \$1,500 in cash and his treatment costs \$200, irrespective of his income a charge will be made for that treatment.

Mr. PUGH: Well, we will say a man has not any income at all except for his pension, and he has \$1,500 in cash. In that case, could there be a deduction?

Mr. LALONDE: From his assets?

Mr. PUGH: Yes.

Mr. LALONDE: Yes.

Mr. PUGH: Now we have a man who has an \$8,000 dwelling, is on pension, and has no income. No deduction could be made in that event?

Mr. LALONDE: That is possible.

Mr. PUGH: So a man with cash who rents a house might be in a worse position.

Mr. LALONDE: Yes, that happens. We have never been able to get around the difficulty in veterans allowances or treatment services of including a house in negotiable resources. It has always been the policy not to do anything which would endanger the position of the veteran with respect to the house in which he lives.

Mr. PUGH: I would like to follow it through just a bit further. Take, for example, a man who cannot afford to buy a modern house, and we will say he has \$4,000 in cash. If he is living on his pension alone and is not employable, he might find himself in a very bad position when he requires treatment. In other words, in view of the money which he is paying for renting he cannot buy a house; he has not enough. He prefers to rent. He could find that his capital of \$4,000 was brought down to \$1,000 or \$500 on this treatment basis.

Mr. LALONDE: It is unlikely, because to bring that much capital or that many assets down he would have to be hospitalized for a long period of time.

Mr. PUGH: Supposing he goes in permanently towards the end of his life?

Mr. LALONDE: He could not pay any more than the maximum in any year, and the exemption on his resources is increased if his treatment is for a period longer than eighty days. This is designed to protect the veteran against long hospitalization; it was not designed to provide free treatment to every veteran whether or not he could afford it.

Mr. PUGH: I am sorry, Mr. Chairman, I am a little off the subject which we were discussing, but it could apply to them as well—if any amputee had capital and did not have a house of his own.

Mr. ROGERS: That is one thing I would like to see cleared up, because I do not think the comparison is fair—one man owns a house, and another fellow has \$3,000 or \$4,000 and pays rent. He has to pay. Investigators try to see that he does get this money invested, but it does not work out evenly.

Mr. McINTOSH: I recall a statement made by the American Hong Kong veterans in regard to upgrading. They are basing their application on a similar basis. They say according to their disability their income has been more or less stopped. They want complete hospitalization and medical treatment for themselves. Does that not also include their families? The same reasoning must follow. If they are entitled to it for themselves, they should be entitled to it for their families.

Mr. PARSONS: Actually, Mr. Chairman, I wanted to make a brief summary of this situation as far as it applies to our association. It is our contention that D.V.A. hospitals were set up to handle the disabled veterans cases. Now, in our case, we have a high degree of rehabilitation and consequently a very high percentage of our membership cannot receive hospitalization for any cause other than their pensionable disability. After we have rehabilitated ourselves and accumulated some assets, we can receive some hospitalization when our assets have been reduced to the point where we become indigent. We do not

like that. The other thing we do not like is this. The Canadian government found it advisable to extend hospitalization to a certain group of veterans, and their justification for it must have been service. If they can handle this broad group with complete hospitalization, surely they can handle a small group of seriously war disabled. That is our contention.

Mr. CARTER: I have two or three questions at this point. Mr. Pugh covered some of them.

I want to ask Mr. Lalonde this question. The scale that he read out is based on gross income, not on net income?

Mr. LALONDE: I do not know what distinction you are trying to make, Mr. Carter. It is based on a man's earnings.

Perhaps I made a mistake in using the word "gross" as applied to income. I am sorry; I did. It is based on a man's earnings for the six months preceding his application for treatment, and on his estimated earnings for the next six months. I should not have used the word "gross".

Mr. CARTER: I do not think you did, but it was not clear, when you were speaking about those earnings, whether you were speaking about gross earnings or net earnings.

Supposing a person were getting private income from a farm, or from some other source? His gross income might be any amount between the gross earnings and the net income.

Mr. LALONDE: I am sorry; I was right in using the word "gross" in regard to income, because a veteran could have earnings prior to this application for treatment and he could also have revenues from a business.

In other words, he might not be a salaried veteran, or he might have the combination of salary and other income. So the word "gross" as applied to income was correct.

Mr. CARTER: You base your scale on the gross figure? Actually, his circumstances depend on the net income, do they not; that is all he has to live on?

Mr. LALONDE: Yes; but the purpose is in determining his income status by comparison with other veterans. For instance, a war veterans allowance recipient has so much income during the year. We are trying to establish the position of non-war veterans allowance recipients by comparison with the other, so we have to take their income.

Mr. CARTER: Let me follow this through. Supposing you have war veterans allowance for a fisherman, and supposing he catches enough fish to sell and have a gross income of, say, \$1,000. But it may have cost him \$500 or \$600 to catch those fish, so that his net income would only be about \$400.

Mr. LALONDE: No. His gross income, as far as this section of the regulations is concerned, is what he received for himself and his family.

Mr. CARTER: That is what is called net income. The other question I want to raise is this. You mentioned a scale of exemptions set up by treasury board. Has that been modified since the hospitalization plan came in, or did that come up after the hospitalization plan?

Mr. LALONDE: No. This is the same scale that was in effect last year, and most of the provinces have come in under the hospital insurance plan since last year. But there has been no change in this scale, except that veterans in most provinces are now covered by the insurance plan for their hospitalization.

Mr. CARTER: Yes. I was wondering just how the picture of the veterans of this particular group is affected by the new hospitalization plan. Would a veteran who is seeking free hospitalization under the war veterans legislation be able to get it under the hospitalization plan?

Mr. LALONDE: The only thing that he will have to pay under the new plan is the doctor's bill.

Mr. CARTER: Yes.

Mr. LALONDE: But there are still some provinces where the plan is not in effect, and I presume that there may be a few—very few—veterans, in provinces where they do have an insurance plan, who do not take advantage of it; in other words, who do not pay their premiums. Certainly we anticipate the hospital insurance plan will reduce the number of veterans who will require treatment under section 13.

Mr. CARTER: It will also require the veteran himself to make an assessment as to whether or not it is going to pay him to come in under the hospitalization plan or stay under the veterans legislation.

Mr. MONTGOMERY: I think some of the provinces are compulsory anyway.

Mr. LALONDE: That is correct. I think they have to cover their families at the same time as they cover themselves. It will pay them in the long run.

Mr. THOMAS: May I ask a question on procedure?

The CHAIRMAN: Yes.

Mr. THOMAS: Time is going on. We have heard two briefs this morning and we are still on the first issue of the first brief. What is going to happen? Do these delegations come back to another meeting today, or when; and when do we get a chance to go into these other items which have been raised?

The CHAIRMAN: We are entirely in the hands of the committee in this respect, Mr. Thomas. If we can complete our discussion on this section, all well and good. If we do not complete our discussion on this brief by the adjournment hour of one o'clock, perhaps we could have the committee's cooperation to sit while the house is sitting and carry on our discussion this afternoon.

Mr. THOMAS: For the particular convenience of the delegation?

The CHAIRMAN: Yes, for the convenience of the delegation.

Mr. HERRIDGE: Mr. Chairman, I am very interested in this dual use of the word "gross", because I had an experience in that connection. The department should be very careful in the use of that word, because it almost seems incorrect.

There was a gentleman in my riding who ran a fishing camp. He was not a fisherman; he ran a fishing camp. He was asked to submit his gross income. He turned in all his takings and found he was not eligible for treatment. I said, "You silly old fool. You didn't make that much; you had expenses". When he took off his expenses he only had \$400 income, or a little better, for the year. That meant he was eligible. I think that should be made clear.

Mr. LALONDE: I think it is clear in the instructions. The mistake was only due to my poor training as an accountant. May I add one last bit of information that I think will be useful to the committee? There are 32,501 pensioners in classes 1 to 11.

Mr. BENIDICKSON: I was just going to raise that question. Was one of the requests simply for that part that is referred to as the "high disability pensioner", or was it a general request that free treatment should be available, irrespective of the individual's economic status?

Mr. O'LEARY: Mr. Parsons, I think you referred to the large group of veterans who are receiving free treatment, presumably on a service basis, and you were asking that your group should receive the same treatment. That was the substance of your argument.

Realizing that this larger group are subject to a means test, would it not be true that any different treatment for your group would not be based on a means test? Therefore, you are asking that your group should not be subjected to a means test?

Mr. A. J. PARSONS: That is correct.

Mr. STEARNS: To follow what you said just now, Mr. Chairman, do I understand that if the Hong Kong veterans have not had a chance to answer questions, you are going to ask the committee whether they are prepared to sit this afternoon after the adjournment hour of one o'clock?

The CHAIRMAN: That will be our intention.

Mr. STEARNS: Could you find out an hour now, if the committee is willing, so that these gentlemen could do something else until then?

The CHAIRMAN: I think 3.30 would be the earliest hour at which we could meet, due to the opening preliminaries of the house. Could we have an expression of opinion from the committee in that regard?

Motion agreed to.

Mr. BROOME: Are there any farmers in the Hong Kong veterans association?

Mr. STEARNS: Mr. Chairman, I think we should go on with the next item.

Mr. CHARLES CLARK: Mr. Chairman, we are quite willing to meet any conditions of the committee. We hope that when you come back this afternoon just as many members will be present as are here now.

The CHAIRMAN: Thank you, Mr. Clark. We shall meet at 3.30 if circumstances warrant it, and it looks as if circumstances will. Now, I think Mr. MacRae has a question.

Mr. MACRAE: I think Mr. Benidickson covered the point I had in mind. It is the prerogative of this committee, after it has heard the briefs. The war amputations, as a group, is a high pensioned group of men; but there are all these other groups in Canada which are high pensioned; you spoke of gunshot wounds and other cases. Most of us might wish to recommend a pension for one group—to get a pension of 80 per cent and up, regardless of our sympathy for others. But this is a problem and it will have to be fitted into the complete picture, that of pensions, covering pensioners from 80 per cent up. So we cannot consider them only in a final analysis.

Mr. BENIDICKSON: Reading the first sentence under the hospitalization treatment, I take it that the request is not to be confined to the high disability pension group, but that it applies to all war disability pensioners as contained in the first sentence of the brief?

Mr. PARSONS: We are referring to the high disability group. We can only speak for ourselves; and we happen to come in that higher category. We refer to the higher disability group which embraces the high disability cases.

The CHAIRMAN: Does that complete our discussion under hospitalization and treatments?

Now, the next item is with respect to basic pension rates. Have we any questions on this subject?

Mr. SPEAKMAN: We know that the question of pension rates is continually under review, having regard to the cost of living and so on as it increases; and we know that any government in Canada is sympathetic to the pensioner in that respect.

Mr. WEICHEL: I think we all understand, as amputees, that we are not going to get any better as the years go on,—that we are going to get worse. The chap with a gunshot wound or some other wound is likely to improve, and has improved in some cases, to the extent that some of them may have had their pensions reduced. But with the amputees, they will not improve; and as age goes on, they are going to be worse.

Mr. MACRAE: The badly wounded man with a gunshot wound as a rule will not improve. That might be brought up to us as an exception to the rule; but a gunshot wound or head wound as a rule does not improve.

The CHAIRMAN: This item deals with other across-the-board increases.

Mr. HERRIDGE: I am not quite clear about this principle of the 33½ per cent which is recommended. Is that to be an additional 33½ per cent, or is it to bring the pension up to 33½ per cent as requested by the Legion?

Mr. PARSONS: Additional.

The CHAIRMAN: That is to be additional to the present rate.

Mr. PARSONS: Yes.

Mr. WEICHEL: I agree, because after all you might make a ruling of 50 per cent and up, when some poor chap with 48 per cent or 49 per cent would be left out of the picture.

Mr. MUTCH: You are safe down to 48. Forty-eight and 49 get it.

The CHAIRMAN: Is this item agreed to? Item agreed to.

Mr. BROOME: In regard to damages I would like to hear from Mr. Lalonde. I think this is rather startling.

Mr. LALONDE: This is one field where I pass. This is Mr. Mutch's responsibility.

The CHAIRMAN: Mr. Mutch, you have the floor.

Mr. MUTCH: Yes, a small part of it.

The CHAIRMAN: Mr. Broome has queried the situation prevailing under damages and accidental death.

Mr. MACRAE: Have we covered the pensions basic rate?

The CHAIRMAN: Yes, we have concluded our discussion.

Mr. MUTCH: Can you be more specific in what you want? Do you want a general interpretation, or the practice of the commission?

Mr. BROOME: What they are saying seems so reasonable that I just wondered why it was not done before.

Mr. HERRIDGE: Can you give us an explanation of what happens now under those circumstances?

Mr. MUTCH: If I restrict myself to what happens now, I would be on safe ground.

Under the present legislation, as it is set forth, there are statutory requirements which are set out in sections 20, 21 and 22 which expressly lay upon the commission the responsibility of taking into consideration ex parte payments, —that is, for damages or injuries incurred.

We have these three sections which make it compulsory on the commission, and we have no discretion in the matter. There has been, over the years, a good deal of discussion in this committee, with respect to these sections.

We have even had specific recommendations in this committee over the years for the striking out from the Act of one or other of these sections. About all that I can say at the moment is, they are in the act, and the Pension Commission is bound to take them into consideration.

Within the last few weeks we had a case under sections 21 and 22 which was adjudicated in the board room. In that case a pensioner was killed. From outside sources, and as a result of that accident, a payment of some \$17,400 was made.

The widow had an option as to whether she would forego this money and go on full pension for herself and one dependent child, or whether she would keep the money and accept an adjusted pension for herself as a widow.

These adjustments are worked out actuarially. I am not an actuary. But I know, that in the case of this particular widow, the Commission had to reduce the pension as a result of her deciding to keep the \$17,400. Widow's pension was reduced by approximately \$82 a month, and this reduction, under the statute, remains in force so long as the Pension remains in payment.

The capitalized value of the money she received from the outside source is computed, and an adjustment is made in the pension. It is not for me to say whether this is equitable or not.

My colleagues and I are confronted with the Act, and that Act is Parliament's responsibility, not the Commission's. I cannot offer an opinion.

Mr. PUGH: Mr. Chairman: following along the remarks, I had a case which was exactly the same. This pensioner was killed; he was run over by a motor car. I knew all the circumstances, and I do not think there was very much case for a claim.

It happened that the widow, acting upon the advice of friends, or possibly of a lawyer, went to court and recovered a certain amount of money,—let us say, \$2,000 or \$2,500. She was then informed that that would have to be taken into account with her pension, along the lines suggested by Mr. Mutch.

She came to me and I was horrified. It just does not seem reasonable. I still do not feel it is reasonable. In this instance he was operating an orchard, and the widow has found herself in pretty extreme circumstances. The capital amount she received as a result of her claim would not do more than put the house in repair, which it badly needed; and she was faced with the alternative of asking for the whole amount and having her pension cut down or of turning over the money to the department, having it capitalized and receiving the full pension. In her case, of course, she needs the full pension in order to go on existing.

Mr. MUTCH: Was the case of which you speak one where the deceased was a pensioner who received a pension of 50 per cent or more at the time of his death?

Mr. PUGH: I cannot answer exactly, but I think he would have been in receipt of a pension of above 50 per cent.

Mr. MUTCH: If his pension was less than 50 per cent, unless his death could be ruled as attributable to his service as such, the Pension Commission would not come into the picture.

Mr. PUGH: It must have been over 50 per cent. I know of the correspondence which took place with the department.

Mr. MUTCH: What sometimes happens and what did happen in one case is that the widow, who was a very young widow, decided to turn in the award of damages which was substantial—something in the order of \$10,000—against advice. This is something which young widows frequently do believing they will never marry again. This widow turned the damages over to the C.P.C. and went on widows pension, married again within about 18 months. In such an instance, one year's pension is paid in advance and pension ceases. Unless the award is substantial, many of the widows do turn over the money and continue to accept the widows pension.

Mr. PUGH: There is a further point on this. She herself put in the claim with the possibility she would not come out on top. Had she not won she would be responsible for the legal expenses all down the line.

Mr. MUTCH: Unless she was directed by the commission to proceed with her claim.

Mr. PUGH: There was no direction.

Mr. MUTCH: There are occasions when the commission has power in certain instances involving outside liability to authorize the action. If a person coming to the commission with a claim for pension fails to attempt to recover from a third party. The commission may direct the applicant to proceed with the claim and there is provision for payment of properly taxed legal fees.

Mr. McINTOSH: There must have been some reason for this legislation in the first place. I am wondering what that reason was. I am thinking also whether it applies when the veteran leaves a large amount of insurance, and if not, why not if the reason for the legislation in the first instance was valid.

Mr. MUTCH: I do not know whether or not it is given to any administrator to know what was in the minds of men at the time this provision was drafted. However, I do know this, from my own experience, that a life insurance policy on the life of a husband, which is payable to his widow, does, I am informed by our legal advisors, not constitute part of his estate as far as the government is concerned, except in the case of the income tax office.

Mr. McINTOSH: Suppose he won a sweepstake?

Mr. MUTCH: None of my friends have and I have not looked into that. Seriously, I do not know the answer to that question. In these claims the commission follows the precedent of the income tax department and certain grants which occur at the time of death, such as burial grants, are influenced by the amount of money left in the hands of the widow even though a substantial part of it comes from an insurance policy of which she is the sole beneficiary.

Mr. McINTOSH: Was there a precedent or something which necessitated the passing of this legislation? What was the thought behind it?

Mr. MUTCH: I cannot answer that. I was not here. We have had to deal with it in its present form during my twenty years in working with and in the department.

Mr. KENNEDY: I am wondering how far-reaching this is? There are so many types of insurance. Under the automobile association, if a holder of a membership is killed by anything related to an automobile there is insurance payable on his death. Would it affect anything like that or is it just straight liability insurance?

Mr. MUTCH: Private insurance does not affect the award to a widow pensioned as of right. The widow of a veteran in classes one to eleven, or where the husband's death is attributable to his pensionable disability, or to service is pensioned as of right without any means test whatsoever. Does that answer your question?

Mr. KENNEDY: Except where there is a claim.

Mr. MUTCH: The statute excludes third party liability from that exemption. It is statutory as far as such claims are concerned. We administer the act the way it is.

Mr. BUTLER: In view of the fact that the reason for this appears to be very obscure, and in view of the fact that it seems unfair a widow whose husband is killed before his time and due to somebody's negligence that the widow has to decide whether or not she will gamble on remarriage, I feel it is a very unfair piece of legislation as far as the widow is concerned.

Mr. MACDONALD (*Kings*): When you mentioned the case of a woman who had been in receipt of some \$17 thousand or something and the pension was reduced from \$115 to \$82, does that carry on as long as she lives or has she a right to ask for an assessment later on when her nest egg is used up.

Mr. MUTCH: The fact is it remains in effect as long as the pension continues to be paid.

Mr. MACEWAN: There is something I would like to clarify. Here in the fourth line it says: "In other words, Canada, not the widow, receives the damage settlement, although the widow is liable for hospital, funeral and other expenses incurred." If a settlement is reached and received from a third party, is it not so that included in that would be an amount for hospital, funeral and other expenses? Therefore, although the widow might take a certain option, this would be covered anyway.

Mr. MUTCH: There is a means test on the payment of the hospital, funeral and last illness expenses.

Mr. CARTER: Is that deducted from the amount of the award before you adjust the pension?

Mr. MUTCH: No.

Mr. CARTER: If a woman gets an award of \$5,000 and she is also in receipt of a pension, are the funeral expenses and all the rest deducted from that before you adjust her pension?

Mr. MUTCH: If she keeps an estate in excess of \$5,000 she would have more capital in her possession that would warrant the payment of burial expenses and normally they would not be paid.

Mr. CARTER: That is not what I mean. As I understood you or other officials to say, if a widow wishes a certain option she can forego the award and keep her pension, or accept the cash settlement and have a reduction.

Mr. MUTCH: Yes.

Mr. CARTER: The amount by which it is reduced depends on the amount of the award?

Mr. MUTCH: Yes. The capitalized value.

Mr. CARTER: And that award would not be total income because she would have the funeral expenses from it. Would that be taken into account before you adjust the pension?

Mr. MUTCH: No, I would say not. In my experience, no, because the payments of burial and funeral expenses are based on money in hand and not on income. If she is offered a certain sum of money, normally the commission would not pay for the burial. Does that answer your question?

If the amount of the award which she retains is sufficient to place her in a position of having more money than the ceiling which the commission sets, she would not get an award. Pension is adjusted on an actuarial basis having regard to the capital amount. It is not determined on the basis of expenditures.

Mr. HERRIDGE: You have not got his question yet. May I have another "shot" at you; I would enjoy that. If a veteran dies as the result of an accident and his widow does not have a dollar, and she receives a \$5,000 damage claim, and the funeral expense was \$1,000, do you allow that amount out of the \$5,000?

Mr. MUTCH: In view of the fact our total award in cases of funeral and last illness is less than \$300, no.

Mr. HERRIDGE: Would you allow \$300 out of the \$5,000?

Mr. MUTCH: Again it would depend on how much of the \$5,000 she had. There is definitely a means test, if you like to call it that, although I deplore the use of the word "means", in regard to payment of last illness and burial expenses. Up to \$5,000 in the case of a widow who is not going to be pensioned it is unlikely the commission would refuse to pay funeral expenses and last illness; but if she had in excess of \$5,000 in cash and was going to be a pensioner from there on, it is equally unlikely that they would pay funeral expenses.

It is difficult to explain in generalities, but in practice that would approximately be the basis of it.

Mr. McINTOSH: Is the award not made in two parts—one, general damage, and one to cover hospital expenses?

Mr. MUTCH: I might say in the case of the workmen's compensation board in the province of Ontario that I know of occasions where they have made a payment of \$200 toward funeral expenses. That is less than the funeral

expenses which the commission can pay in the case of death of one of our pensioners. And if the widow is otherwise entitled we can, and we have, supplemented the \$200 to the extent that we are able to supplement it under our ceiling. If all expenses were paid, we would not make an award.

Mr. BROOME: I have two questions, Mr. Chairman, along the same line. In regard to my first question, I would take it from your answer in respect to insurance, if the widow receives an inheritance of money that would be free to her and would not affect her pension. But suppose her husband died in an industrial accident and there was a payment from a compensation board; would that be treated in the same way?

Mr. MUTCH: All awards from the compensation boards are taken into consideration under these sections.

Mr. BROOME: Under these sections they would be included in there as well?

Mr. MUTCH: Yes.

Mr. STEARNS: Mr. Chairman, I have just one question to ask Mr. Mutch. If sections 20, 21 and 22 were abolished, would it add any expense to the treasury as of today?

Mr. MUTCH: I think it is inevitable that there would be additional expense to the treasury. This is because the commission does from time to time receive sizable amounts of money from widows who prefer the security of an award rather than a certain amount for their unmarried lifetime.

On the other hand, the reason I hesitated to give a categorical answer was because I am aware that a percentage—I do not know how big it is—of widows who retain the damages subsequently remarry. We are, I think, entitled to assume that they would have remarried even if they had not had a sizable lump-sum in their hands. Then in all probability the government liability would have ceased, if they remarried, with the payment of one year's pension. It is one of those things that is pure guesswork; there are no figures or statistics and you cannot even average human behaviour.

Mr. HERRIDGE: Would Mr. Mutch be able to supply this committee with the total figures showing amounts collected from widows in the last 12 months?

Mr. BROOME: At the same time, the wording of the section involved?

Mr. MUTCH: Just a minute; I am not taking shorthand. I want to get your

Mr. HERRIDGE: For the year 1958.

Mr. MUTCH: Under sections 20, 21 and 22; is that what you are asking?

Mr. HERRIDGE: Yes.

Mr. MUTCH: I should be able to get that.

Mr. McINTOSH: At the same time, the number of pensions that have been reduced as a result of this action, and what the increase would be if it were retroactive to when it started.

Mr. MUTCH: How far back do you want to go?

Mr. McINTOSH: I do not know how far back your pensions go. But if some widow had a reduction from \$115 to \$82, I imagine if this were rescinded she would automatically go back to \$115.

Mr. HERRIDGE: In order not to burden Mr. Mutch, perhaps you could confine the question to one year which would be reasonable, and Mr. Mutch could give us a picture for that year.

The CHAIRMAN: That might be representative of the picture.

Mr. MUTCH: What is your question?

Mr. McINTOSH: What is the number of pensions that would be affected?

Mr. MUTCH: That would depend on the effective date. Any change of a statutory nature in the past was usually effective from the date the amended legislation was proclaimed. Therefore, unless there is a radical change in usual procedure there would be no liability reaching back.

Mr. HERRIDGE: Mr. Chairman, this discussion so far has been based entirely on the widow. What happens in a case where there are only dependent children? In some cases there are dependent children and no widow involved. Has this liability any effect on them?

Mr. MUTCH: These sections do apply in the case of dependent children of the deceased when an award is made specifically on their behalf. We sometimes get a judgment where the widow is allowed \$10,000, the eldest child is allowed \$3,000 and the youngest child is allowed \$5,000. There have been cases of that sort.

Mr. KENNEDY: And that is taken into account?

Mr. MUTCH: That would be capitalized in the case of the child as well, bearing in mind the age at which the child ceases to be a liability on the pension commission.

Mr. KENNEDY: Certainly the children would have the opportunity of electing whether they took—

Mr. MUTCH: No, the mother elects on behalf of the children.

Mr. KENNEDY: But there is no mother involved in this case. That is what I am thinking might happen. If no mother survives, what is the position?

Mr. PUGH: That is a matter for the court.

Mr. MUTCH: There would either be a legal guardian appointed or the court would give a decision. I have not seen one of those cases, but it could happen.

Mr. MONTGOMERY: I would like to ask Mr. Mutch one question on this matter. Maybe he has told us and maybe I missed it. We have been talking about the 50 per cent pension, and over. Supposing a veteran who has been getting a 40 per cent pension is killed in the same circumstances, and his widow maintains a claim and is successful in getting a judgment for \$10,000? She gets no pension whatsoever, does she?

Mr. MUTCH: Not unless his death is ruled attributable to his service or to his disability.

Mr. MONTGOMERY: If he is under the 50 per cent pension, does she get anything?

Mr. MUTCH: No, not unless his death is ruled attributable to service. It is possible for a widow to be pensioned when a pensioner dies, who in his lifetime had no pension at all. It is difficult, but it is possible for that to happen. It can happen if it has been established that his death arose out of his service.

Mr. MONTGOMERY: Suppose she does not get a pension; she is not entitled to one; but she does get an award. Does the government take that award?

Mr. MUTCH: The commission is not interested. She has no status before us.

The CHAIRMAN: Have we completed the discussion of the damages and accidental death section?

Item approved.

Imperial pensioners widows.

Mr. BROOME: I would like an explanation from the department in regard to this. I do not know to whom to direct my question.

The CHAIRMAN: I believe this comes under the pension commission.

Mr. MUTCH: There is no provision in the Canadian Pension Act for the payment of pension to veterans, or their dependants, who had no service in the Canadian Forces, with the exception of those Canadians who in World War I

enlisted in the British or allied forces, and who were domiciled in Canada at the outbreak of World War I; and in World War II, a Canadian who served in the British or allied forces, and who during the four years previous to the outbreak of World War II had been domiciled for a time in Canada.

For these two groups, if they become pensioned as a result of their British or allied service and return to Canada, there is provision in sections 50, 51, and 52 of the Canadian Pension Act to supplement their pensions to the Canadian rates while resident in Canada. But these sections make no provision for the group which is now mentioned. I am restricting my comments to benefits under the Canadian Pension Act.

This group has no status before the committee, and there is nothing in the act which would permit us to pension the widows whose plight is being brought forward here. To do so would require an amendment to the act.

The CHAIRMAN: Are there any further questions? Have we considered imperial pensioners widows?

Mr. BROOME: Is there anything further that the delegation wish to add to this particular item in the way of further explanation? It is pretty clearly set out here. I notice number one:

Mr. BELL: We tried to cover most of our points in what we have said here. We have this situation where we have 70 of these people in our own membership. They are a separate group, of course. Their benefits are far lower than those of a Canadian high disability pensioner.

Again, our case is for the widows. We really have two classes of women; those who married a veteran of a Canadian force, and the others, Canadian women who married a Canadian veteran of the imperial forces. We feel they should be on the same pension basis.

The CHAIRMAN: Are there any further questions on this item?

Mr. BROOME: I think the point being emphasized here is that the widows are Canadian.

Mr. BELL: That is correct.

Mr. BROOME: Widows whose husbands have service in common; but one Canadian is not treated the same as another Canadian because of the accident of her husband's service.

Mr. BELL: That is right.

Mr. Mutch: From our experience, we know, that in World War II, the great bulk of these Canadian widows of deceased Imperials were Canadian girls who married British chaps when they came over and were trained in the Air Commonwealth Training Scheme. That is probably the largest group we run into. We know that a great many of those girls never even saw the United Kingdom. It is a state of affairs of which we are very conscious. I would not like people to think that the Commission is unaware of their difficulty, but there is, in fact, a prohibition in the legislation.

The CHAIRMAN: Are there any further questions? May we proceed to the last item on Children of War Dead Education Assistance Act? We have read the representations of the war amputees of last year on this subject and they are repeating it in the brief this morning. What comments are there?

Mr. HERRIDGE: I would like to ask one question. In view of the fact that this government has expended about half a million dollars in the transportation, care and education of a certain group of students and their dependents who came from what was formerly an enemy country, would you not think the government would be fully justified in what you are asking them to do in this situation.

Mr. LALONDE: Perhaps I might clear the air with a very short statement. As the brief mentions, there is a possibility that the wording of the act is obscure at the moment. However, I know of no case of children of war dead where the interpretation of what is purported to be an obscure section has not been interpreted in favour of the child.

Mr. HERRIDGE: Do you not think under those circumstances the Canadian government would be morally bound to care for the higher education of the children of those who were seriously disabled in the defence of this country?

The CHAIRMAN: Mr. Herridge is making a comment.

Mr. HERRIDGE: I am asking a question. Would anyone in the delegation like to answer?

Mr. BUTLER: We agree with you.

Mr. HERRIDGE: Thank you, very much.

Mr. McINTOSH: In what way is the act obscure? Is it in the wording of the act?

Mr. LALONDE: That is what the brief said.

Mr. McINTOSH: You said that.

Mr. LALONDE: Our interpretation of the act has been favourable.

Mr. McINTOSH: I realize that but I would like to know in what way is the act obscure?

Mr. MONTGOMERY: They do not admit it is.

Mr. McINTOSH: He said in every case the children are looked after.

Mr. LALONDE: Yes.

The CHAIRMAN: Shall we conclude our discussion on the war amputees' brief now, or do you wish to bring them back this afternoon?

Mr. WEICHEL: I move we adjourn now and give this consideration in the afternoon.

The CHAIRMAN: We have a motion to adjourn. Agreed.

The CHAIRMAN: We will adjourn until 3:30 p.m.

AFTERNOON SESSION

MONDAY, March 9, 1959.

3.30 p.m.

The CHAIRMAN: Gentlemen, may we continue? When we left off at one o'clock we were just winding up a discussion of the brief from the War Amputations Association; the topic was "Children of the War Dead (Education Assistance) Act." Are there any further questions?

Mr. MACRAE: On page seven, line five, the delegation used the expression "certain groups". Would they care to clarify to whom they refer?

Mr. BELL: The groups to which we are referring are the groups who are presently pensioned under classes one to eleven. After death their widows automatically go on the widows pension with allowances to children.

Mr. MACRAE: Thank you.

The CHAIRMAN: Have we any further questions, or shall we proceed?

Mr. BROOME: Let us proceed.

The CHAIRMAN: Have we concluded our discussion under "children of the war dead"? May we proceed to "consequential disabilities"?

Mr. MUTCH: This morning I was asked two questions. I was asked if I could give the amount of damages recovered under sections 20, 21 and 22 of the Pension Act for the year, 1958.

In order to get these figures for the Workmen's Compensation Board, that is under section 21, it would be necessary to draw the file in each case. That would be a fairly lengthy procedure.

However, I am able to give you at the present time a statement with respect to sections 20 and 22.

For the years 1957 and 1958—in 1957 the total amount of damages recovered by the department was \$19,907.61. There were two widows involved.

In 1958, the total damages recovered totalled \$87,775. There were seven widows involved.

Just as I was leaving the office, I was able to get the total amount recovered as of record today—that is, not during 1957 and 1958, but since the legislation has existed. The total sum to date of the amount recovered by the treasury on account of third party liability is \$854,531.50.

Now, if the gentleman who asked the question with respect to these figures wishes me to give the figures under section 21 involving Workmen's Compensation Board cases, and I can do so. It would require the drawing of the files. Provided there are none of them in use, I should be able to have it for you by the beginning of next week; but to answer now, would require me to make a pure guess. Would the committee care to let me know their wishes in the matter?

The CHAIRMAN: What is your pleasure, gentlemen?

Mr. HERRIDGE: In view of the information we have on the other two sections, is it necessary to ask Mr. Mutch to go to all that trouble?

Mr. MUTCH: It would be well over three-quarters of a million dollars.

Mr. McINTOSH: How many cases are involved?

Mr. MUTCH: In 1957 there were two and in 1958 there were seven.

Mr. McINTOSH: I mean in the \$854,531.50.

Mr. MUTCH: Back of those years—I did not go beyond, because I understood it would be sufficient for 1958. I got it for two years. That again would require our making a survey, but I can get it if you wish. You want to know how many are involved in the total of \$854,531.50?

STANDING COMMITTEE

Mr. McINTOSH: Would it involve a lot of work to get the answer?

Mr. MUTCH: Yes, but that is what we are there for.

Mr. McINTOSH: I wondered how many we would have if the act were rescinded.

Mr. MUTCH: You have just over or around \$105,000 recovered in nine cases. I think the committee should bear in mind that in the last ten years or so damages allowed in these accident cases have doubled, and in some cases have tripled or quadrupled.

Many of you who buy will know automobile insurance, what you have to buy in order to be protected; and even though the numbers, involved have been fairly constant, the liability has rapidly increased because of the nature of the awards which are currently made in the courts.

Mr. McINTOSH: I withdraw my question then.

The CHAIRMAN: Thank you, Mr. McIntosh. Now shall we proceed to "Consequential disabilities"? I understand that a copy of this statement has been placed in the hands of every member of the committee. If you have not received your copy, the clerk of the committee has one for you.

I believe the acting chairman of the pension commission has a statement to give in reference to this part of the presentation.

Mr. MUTCH: Because of my long experience of being accused of mumbling, I shall stand up and read this to you. I was very happy that we did not come to this item until after lunch because I did not see it until you did. While my marginal notes were satisfying to me, they would not have been very clear to you. I hope this will.

There has been no change whatsoever in the practice of the commission in granting entitlement for added disabling conditions which are consequential upon the pensionable disability.

The practice referred to in the brief of the Amputations Association is an added benefit which in no way affects entitlement granted on a consequential basis. It was introduced by the commission recently in a few cases in which the pensioner had become seriously disabled, usually through one or other of the degenerative diseases of advancing years which could not under any circumstances be held to be consequential upon the disabling condition for which pension was in payment, but which might in some degree add to the extent of the pensionable disability.

This new practice, as has been indicated, has been applied in only a very limited number of cases, and is to be reviewed at a general meeting of the commission to be held later this month, since the commission itself now entertains some degree of doubt as to whether it is a practical procedure.

Perhaps I might, while I am still on my feet, make reference to the second last paragraph in which I said "... might in some degree add to the extent of the pensionable disability", because I think these words might be added for clarity: "or any party so adversely affected in some degree by the pensionable condition".

In other words, it may be that a pensioner who is now in somewhat advanced years has a condition which is not pensionable, but which, in the view of the Commission, is progressing more rapidly than would have been the case had he not had the condition for which he was pensioned. So we have used it experimentally over a period of about a year to pension for conditions which were obviously not incurred as such during service, but which, by the very nature of the disability which he had, even although they may be a natural development of a condition of advancing years, if we feel that there has been an acceleration of the pensionable disability. I have said enough to show that in some of our minds there is a considered need to look at it again.

I must make it clear to assure you gentlemen who raised the point this morning that it is not used, has not been used, and that it is not designed to interfere in the cases which they cite, where the disability is consequential upon a pensionable disability.

You know the practice. The members of the committee will know that the practice with those conditions which arose consequential upon pensionable disability, if directly so, would bear the same entitlement. Sometimes you only gain hospitalization and treatment for that condition; but there are cases and I could cite them, where there is an actual increase in the pensionable disability. Therefore the pension is paid. I do not think I can add anything to that.

Mr. BELL: One of the purposes of our organization is to act as sort of watch-dogs, to see if everything is going along all right in legislation, particularly pension legislation and D.V.A. legislation.

As I mentioned in the report before you, this just came to our attention as we mentioned in our brief. One of the purposes of being here today is for the mutual expression of views. I think we have a very good example of how firmly this group pursues these matters. We are grateful for the remarks made by Mr. Mutch.

Mr. MUTCH: There can be no question that this practice gives something which hitherto we were unable to give. The wisdom of that is, frankly, under review.

Mr. BELL: You can understand our concern, because we are very prone to consequential disabilities such as falling and so on. In this case it appeared as if there was a chance of it being assessed as a post war aggravation, whereas before it was separately considered.

Mr. MUTCH: The answer to the question which you addressed to the commission in your brief is that we do not propose to review the cases to date for this or for any other reason except upon application.

The CHAIRMAN: Are there any further questions? I think this point has been cleared up to the satisfaction of all concerned. It looks as if we have completed our consideration of the war amputations brief.

Thank you, gentlemen, for being with us. Are there any further statements you wish to make?

Mr. BELL: We would like to thank you and the committee for receiving us today. We would like to thank "Mike" Weichel, our old friend, and "Cy" Kennedy for their hospitality at lunch. We are very sorry, and we apologize to the Hong Kong veterans that we cannot stay to hear what they have to say. We have to get back to our "constituencies" by tomorrow morning, so we have a transportation problem.

The CHAIRMAN: Thank you.

Mr. WEICHEL: I would like to take this opportunity, on behalf of Mr. Kennedy and myself, to express our thanks to our comrades of the War Amputations Association. I have not asked any questions today, because I thought that other members here would like to ask questions.

But as an amputee I understand some of the problems that are confronting our comrades from day to day.

I would like to assure my comrades that this committee, along with the minister, the deputy minister, the chairman, all the members, and the Department of Veterans Affairs will give their brief a very serious consideration.

The CHAIRMAN: Thank you Mr. Weichel.

Captain Hurd of the Hong Kong Veterans Association assumes the chair of honor and we will consider his brief. I believe every member of the committee has a copy of this brief. We have also at the table Mr. Clark.

Mr. ORMISTON: I would like to ask Mr. Clark, or bring to the attention of the committee, that I see the term forced labour used in the correspondence and in the brief forced slave labour. We realize there is no voluntary slave labour, but is this term used to differentiate between the Hong Kong and other veterans of other theatres, and in asking for this consideration is it with the idea of it being restricted to Hong Kong alone?

Mr. CLARK: No, sir. We are using the term forced slave labour because labour is permitted in all prison camps according to the Geneva treaty which, under international law, we understood the Canadian government abided by. But forced slave labour is 12 hours a day for 6 or 7 days a week, and then on the seventh day there is the cleaning up of the camp or whatever they wanted us to do. We in no way restrict these claims to Hong Kong. In fact, payments have been made to other prisoners of war who suffered maltreatment.

Mr. CARTER: Is there any representative here from the War Claims Commission to whom we may direct questions?

The CHAIRMAN: Yes. We have Mr. Paul Theriault, Secretary of the War Claims Commission.

Mr. CARTER: In the first paragraph there are certain statements about the Geneva convention where an agreement was signed at Berne and it cites Mr. Claude Pillaud as an authority for that, and Mr. Pillaud states Canada was a party to that agreement. Have these facts been verified by the Department of External Affairs?

Mr. PAUL THERIAULT (*Secretary, War Claims Commission*): I would not know. All I know is that the advisory commissioner of the war claims seemed to suggest that Japan was not bound by the Geneva convention. He invokes the principle of international law that no treaty is valid unless ratified and to the extent it was not ratified the Japanese government was therefore not bound by it.

Mr. CLARK: This is the war claims report to the advisory commission:

When, in January 1942, we made inquiries through the Argentine government, then protecting British interests, we were informed that the Japanese were willing, *mutatis mutandis*, to observe the Prisoners of War Convention which they had never ratified. It was almost at once clear that this meant that they would observe it, if it suited them to do so, and that they would apply it as they saw fit. On the other hand, they were always ready to complain of the most trivial infringement of the convention by us or by our allies.

On account of this we wrote the international Red Cross and for some reason or other this letter has been mislaid. I will obtain an extra copy for you. To confirm that the United States government made this report:

The existing body of international law is reasonably clear on such matters as the violence permissible to belligerents, the conduct of seizure, limitation of devastation, retaliation and ruses, the treatment of enemy aliens and alien property, and the treatment of the wounded and prisoners of war. It is the behaviour falling outside of these and similar well-defined limitation, however, which creates difficulties in the classification and evaluation of war claims. The source of international law, therefore, must be found in those principles on which civilized peoples achieve a consensus either explicitly in international agreements among nations or implicitly in convictions found to be generally recognized as law....

Mr. CARTER: My question was that this statement says here Mr. Pillaud, whoever he is, states that Canada was represented and was a party to that agreement. If that is so surely the Department of External Affairs would know whether or not that is actually a fact and who Canada's representative was at that time. Do we have that information or can we get it?

Mr. CLARK: I think you would obtain that from the Department of External Affairs. We have not been able to. We had to obtain all our information from the United States government and the international Red Cross.

Mr. CARTER: I think this is vital information and we should have it.

Mr. CLARK: I would like you to get it and also to have a strict accounting of the war claims fund.

Mr. HERRIDGE: While I appreciate the desire of your organization to deal with the legal aspects of whether or not they ratified the treaty, you are not basing your arguments on legality, rather you are coming before this committee representing veterans who suffered particularly in defence of this country and you are basing your claims if any on moral grounds and not legal grounds.

Mr. CLARK: Yes.

Mr. PUGH: I would hate to think we have to start off on the question of legality as to whether or not veterans are to be treated in different ways.

Mr. CARTER: I am just as sensitive about the moral aspect of this question, but I also have the idea that the expenditures of the war claims fund have to be governed by legal considerations. I think, however important I may admit the moral aspects and obligations of this are, the expenditure of these war claims funds are governed by certain legal rules and we would have first of all to determine perhaps whether or not some changes would be required.

Mr. HERRIDGE: On that point, may I ask the witness a question. The Hong Kong veterans have received some part payments to date from that fund.

Mr. CLARK: Yes, sir. We received a payment of \$1 a day which Mr. Justice Ilesley awarded us and we advised him at that time we were not satisfied with the award and he said, "I do not blame you; I advise you to wait until more money comes in." There was some more coming in but the amount was not known at that time. We made a claim then for \$1.50 for forced labour. Last November an extension award was made, a maltreatment award of 50 cents. Forced slave labour was not mentioned. I can go further into this later on. However, this thing would never have arisen at all if, after we had returned to Canada, the obligations which had been promised to us had been kept by the Department of National Defence.

Mr. HERRIDGE: I would like to ask two questions. The money which the Hong Kong veterans have received to date was paid from this fund?

Mr. CLARK: Yes.

Mr. HERRIDGE: The principal of responsibility has already been recognized by the government?

Mr. CLARK: Yes.

Mr. HERRIDGE: Now it is only—and this is my view—a matter of further payments on that account?

Mr. BROOME: What is the state of the war claims fund? Could we have a statement as to the money taken in and what has been expended?

Mr. THERIAULT: The War Claims Commission has no control or relationship whatsoever to the administration of the fund as such; the commission is mandated solely to adjudicate claims filed against the war claims fund and to make recommendation accordingly to the treasury board. The recommendations are either accepted or amended by the treasury board and the responsibility for the administration of the fund is that of the Minister of Finance. Therefore, we have no actual direct connection with the payments out of the fund or its administration and so on.

Mr. BROOME: Do you know how much is in the fund and what your commitments are?

Mr. THERIAULT: \$14 million altogether.

Mr. BROOME: And are there commitments pending and so on.

Mr. THERIAULT: There were claims for \$250 millions against it.

Mr. BROOME: Against the \$14 million.

Mr. THERIAULT: Yes.

Mr. BROOME: Have you paid them all?

Mr. THERIAULT: All have been processed except 106 cases.

Mr. BROOME: There still remain 106 cases to be completely adjudicated?

Mr. THERIAULT: Yes. Eleven thousand have been adjudicated.

Mr. STEARNS: How much have you paid out?

Mr. THERIAULT: It is very difficult to say because there are certain claims which are subject to pro rata payments and the payments are made at the convenience of the treasury board. We may make a finding that a claimant has lost \$100,000 and on the pro rated payments he would be entitled immediately to \$5,000 and ultimately at such time as the treasury board find the fund can stand it he would receive another pro rata payment. The adjudication has no relationship to the outlay out of the fund.

Mr. MONTGOMERY: Until all the claims are adjudicated no one will know how much the total is.

Mr. THERIAULT: No.

Mr. KENNEDY: In view of the statement that the Hong Kong veterans would have to wait until there was more money in the fund, is there money still receivable by the fund and, if so, how much?

Mr. THERIAULT: No. The fund originally was \$12 million made up preponderantly of German assets. The proportion of the fund from Japanese assets was about \$3½ million. The interest accruing on the fund raised it to \$14 million. There was in addition a \$12 million maltreatment settlement from Japan secured through the International Committee of the Red Cross. This was apportioned on a pro rata basis between all allied powers, and Canada's share was approximately \$238,000. This was added to the fund.

Mr. BADANAI: Is this fund kept in a separate account?

Mr. THERIAULT: I understand it is. I am not too familiar with the administration of the fund. It is a public trust fund, but it also comes under the personal responsibility of the Minister of Finance.

Mr. BADANAI: It seems to me we should get a clarification of the disposition of this fund from the treasury board or whoever has the responsibility. It is a very important matter.

Mr. BROOME: I notice that the United States and other governments paid out \$1 per day for starvation and maltreatment and \$1.50 per day for forced slave labour, which is \$2.50 per day. To date, the Hong Kong veterans have received \$1.50, is that true?

Mr. THERIAULT: Yes.

Mr. BROOME: Meaning, in order to arrive at equality of treatment, it would be \$1 per day.

Mr. THERIAULT: Yes.

Mr. BROOME: You have asked for \$1.50.

Mr. CLARK: We did that because the original claim was \$1.50 for forced labour. The government extended the maltreatment award, but that did not alter our award for \$1.50 a day. We are at the mercy of the government and whatever they pay is entirely up to them.

Mr. BROOME: The witness will agree that 50 cents for maltreatment is still 50 cents, whether it is for slave labour or maltreatment. You have received \$1.50, and to receive equality of treatment with these other nations it would be a dollar more—not \$1.50.

Mr. CLARK: I am not sure if the committee would recommend that, we would be satisfied.

Mr. BENIDICKSON: What would be the cost to the fund for an additional \$1 award, per claimant, knowing the number of claimants who are entitled to it?

Mr. THERIAULT: The answer to that question is very vague. As far as the Hong Kong group is concerned, it would amount to approximately \$1½ million. Now, if it was extended to other groups of servicemen who were interned in western Europe, it would have to be contingent on the number subjected to forced labour; and that factor is not known at this stage. However, it is a reasonable assumption it would amount to millions because there were 7,000 servicemen interned in Europe.

Mr. BROOME: How many Hong Kong veterans?

Mr. CLARK: Altogether the claim against the war claims fund is 1,600.

Mr. HURD: That would be with their dependents?

Mr. THERIAULT: Yes.

Mr. HURD: There was not 1,600 who survived; there could not be.

Mr. THERIAULT: No.

Mr. HURD: That would be including their widows.

Mr. BROOME: I asked how many Hong Kong veterans there were, not dependents.

Mr. THERIAULT: That would not make any difference. Whether or not we pay the widow or the dependent, we still pay the Hong Kong prisoner.

Mr. BROOME: How many prisoners of war were there in Japanese camps?

Mr. THERIAULT: About 1,600 in the Hong Kong group.

Mr. HURD: That figure is approximate. I think the total number of force "C" was slightly under 2,000. I would say Mr. Theriault's statement is reasonably correct. At the time of the surrender or capitulation of the colony, there was probably that figure, although there were casualties afterwards. There are probably as many more casualties due to maltreatment in the various prisoner-of-war camps after, although I cannot give the exact figures for that.

Mr. WALTER GREY: The war claims commission gives a number of 1,750.

The CHAIRMAN: Have you a question, Mr. Fane?

Mr. FANE: I just have had my question answered. However, I did want to know for how many days they claim.

Mr. HURD: For those who were interned and survived, it worked out to approximately 1,300 days, or nearly four years.

Mr. SPEAKMAN: I would like to ask the nature of the other claims which were additional to the claims of the Hong Kong war veterans.

Mr. CLARK: The maltreatment claim?

Mr. THERIAULT: There are claims for pecuniary loss resulting from death, and claims for personal injury and maltreatment; also property losses resulting from war operation, either immovable or movable. The claims for pecuniary loss resulting from death, personal injury and maltreatment must all be paid in full as adjudicated before any pro rata payment may be made on the property loss claims. Now, as far as servicemen are concerned the only type of claim a serviceman or his dependents can make is a claim for maltreatment on the

grounds provided under regulations. Civilians are the only ones who claim for pecuniary loss resulting from death or personal injury to himself or his parents—and so on.

Mr. SPEAKMAN: That is to say then that the civilian claim actually comes first.

Mr. THERIAULT: There is no claimant who comes first; it is the type of claim that comes first, yes.

Mr. SPEAKMAN: Then the civilian claim for personal loss actually would be first.

Mr. THERIAULT: They come first only in terms of being paid in full.

Mr. SPEAKMAN: Yes.

Mr. THERIAULT: So whether it is on maltreatment claims or death claims to which you refer, it must be paid in full before any pro rata payment may be paid on property losses.

Mr. SPEAKMAN: I am thinking of the civilian's personal claim for maltreatment, and so on, as opposed to the claim of the veteran; it would take precedence over the veteran's claim.

Mr. THERIAULT: No, they shared equally. The ones that were processed first were the Hong Kong ones.

Mr. BROOME: Property comes second.

Mr. MACRAE: I have two questions: first, all prisoners of war of the Japanese were put out at forced labour regardless of rank in a good many cases regardless of their physical condition, is that correct?

Mr. CLARK: There were exceptions in the case of some officers who were interned in a camp by themselves; but the officers who chose to remain with their troops were made to do forced labour.

Mr. HURD: I would like to make a small correction to Mr. Clark's statement in regard to the officers who chose to remain with their troops. I happen to be one who was moved by compulsion. I wanted to stay with my men and I was compelled to go to a British officers' camp. Not for any racial reason, but I would rather have stayed with the men. However I had no choice.

Mr. MACRAE: In your case then there was not forced labour; the officers were not forced to work, is that correct?

Mr. HURD: To be fair, I would say that would have to be defined. What you call forced labour would have to be defined. In a way we were. We were compelled to go out and work under very difficult conditions. Those of us who were able had to do menial tasks unbecoming an officer, such as raising our own food. In one of my experiences I had to take 200 men out and work on the Kaitak airport. It was not a pleasant task and I was made responsible for every one of those fellows who accompanied me. This, gentlemen, happened all the time.

Mr. BADANAI: What kind of treatment did you receive as a labourer? Were you fairly treated by the Japanese as an officer?

Mr. HURD: I would not say we were well treated; we were more rudely used in many ways than the men because they seemed to think we were the leaders of the country who involved the men. But if anybody displeased them, no matter what your rank was you were liable for a beating or humiliation by their hand in some way or other.

Mr. McINTOSH: Would you define the meaning of forced labour as it appears in the brief?

Mr. CLARK: Forced slave labour.

Mr. McINTOSH: I would like Mr. Hurd to answer my question.

Mr. HURD: Although I am no authority on the law I would define it that when you are compelled to work and do things which are disagreeable under these conditions that we lived under we had no choice. If we said no, we were beaten up. I would say that would be forced labour.

Mr. CLARK: May I answer that question properly. There are two types of forced slave labour. In Hong Kong in forced slave labour they worked very hard but they received a certain amount of consideration. Now, you cannot say this is one and this is the other. We are lumping them all together. But we who went up to Japan worked naked twelve hours a day in the ship-yards and mines in 110 degrees of heat. Those are the boys who really worked at forced labour. Now, the other boys who built the airport in Hong Kong moved a whole mountain, sack by sack, on their backs. They worked twelve hours a day, six days a week, at this work, and the officers had to go with them. They were responsible for the discipline and keeping the men moving. Naturally, they were beaten up. There was another group of officers who were taken in to a camp and worked at gardening. They were forced to empty latrines and sweep up roads. They were humiliated in many ways. But in defining forced slave labour, you can go to one extreme and you can go back to another. There were some officers in the camps—not Canadian officers thank God,—who had a very good time.

Mr. MACRAE: Now, my second question: are you making representations on behalf of the widows, the dependent parents and other dependents as well as for those veterans who survived?

Mr. CLARK: Yes, certainly.

Mr. CARTER: The figure that was given earlier with respect to Hong Kong veterans was 1,600. Were you referring then only to the claims of veterans and veterans' widows, or were you thinking about the civilian claims as well?

Mr. THERIAULT: No, this is excluding the 800 civilian claims for internment in the Far East and also excluding 7,000 servicemen interned in western Europe.

Mr. CARTER: You mentioned a figure earlier.

Mr. THERIAULT: The answer I gave then was in relation to a question which applied strictly to the Hong Kong brigade.

Mr. CARTER: Yes, but strictly to Hong Kong veterans and dependents, or to civilians who were in Hong Kong as well.

Mr. THERIAULT: Well, of course, the civilians were in Hong Kong but also all over the Far East,—Manchuria, China and so on.

Mr. CARTER: Did that million dollar figure you mentioned include the civilians as well as the veterans?

Mr. THERIAULT: No.

Mr. CARTER: There would be an additional demand on the fund for the civilian.

Mr. THERIAULT: Contingent on whether or not the civilians were subjected to forced labour. In Hong Kong they were not; in Japan probably they were. It varied from one camp to another. In some camps the claimants by their own admission were not subjected to hard labour, and in some other camps they had to carry rocks on their backs for two or three miles, and do that seven days a week.

Mr. WEICHEL: These 7,000 men you mentioned before, have they been paid the dollar?

Mr. THERIAULT: No, they have been paid a lump sum award. The \$1 a day is paid only to prisoners interned in the Far East or those interned in

a listed concentration camp in Western Europe; that is to say a camp operated by a criminal organization such as the Gestapo and the Leadership corps. In all of these cases there is a presumption of continuous and serious maltreatment and since the claimants are allowed \$1 a day automatically for each day of internment.

Mr. WEICHEL: Were these lump sums paid according to the time they were there?

Mr. THERIAULT: Then the other group that is entitled to a lump sum award does not benefit from the presumption of continuous maltreatment during the period of internment. Therefore, the claimant is compelled under the rules to prove what maltreatment he suffered. Then according to the evidence adduced and the nature of the incidents, he is then granted a lump sum award, which is worked out on a formula. It may vary from \$200, to \$600. However, it is always a lump sum award, lower than the aggregate \$1 a day paid to the other group prisoners.

Mr. McINTOSH: You mentioned the figure of \$200 million. Have you got that broken down into property and personal claims?

Mr. THERIAULT: The property claims would involve about \$155 million. Until they are finally adjudicated it would be impossible to arrive at the precise figure. This is because many are inflated and many claimants changed their mind in the process of application and cancelled some part of the original claim. But, grosso modo, it is about \$150 million for property, with the rest being made up of claims for death maltreatment and personal injuries.

Mr. ROGERS: Can we take it that all Canadian POW's in Japan were subjected to forced labour?

Mr. CLARK: Yes, sir, they were all subjected to forced labour. The officers in Argyle were forced—

Mr. HURD: Not all of them were subjected to forced labour that were in Argyle Street. In fact, to be honest, I do not know what you would call it in regard to those officers that were in Argyle Street. They were treated worse in many ways because of humiliation. There was a group who were not able to work, but who did an awful lot of work in the gardens in trying to improve the living conditions of their comrades. Many of the officers in that camp were elderly men. Young officers, who were able, were able to work in that way. We had to work at this in Argyle Street to improve our diet.

Mr. HENDERSON: Mr. Chairman, if I may give an illustration. I was in three different camps and can give a fairly broad indication of what happened. The only officer that we had in the camps, as far as I know, was a medical officer, and he looked after the camp and had to stay in camp. He suffered the same rations. The rest of the prisoners were all forced to work.

Mr. STROUD: May I add something? Our experience with regard to officers was in north Japan. One of their main jobs was to see that 95 per cent of the work party was put on the road in the morning, and 93 per cent of that party was subjected to beatings in the morning. I do not know whether you call that forced labour or not, but the officer was compelled to see that the men were put on the road in the morning.

There were 150 Canadians who went to the camp, and 76 died there. The officer was held responsible for the death of those men, because it was said that the men were not looking after their health. In that way the officer was responsible for accounting for the men. He did not go with the men to work, but he had to look after them. It was his responsibility to see that the maintenance of the camp was kept going, such as bringing in firewood, and so forth.

Mr. STEARNS: Mr. Theriault, am I right in supposing that the civilian claims with which you have had to deal refer to people who went to the Far East because they wanted to go there, whereas the air force went there because they were sent there.

Mr. THERIAULT: That is a very disputed point. A large number of civilian claims are made by missionaries.

Mr. STEARNS: Excluding the missionaries, how about the others?

Mr. THERIAULT: Again, it is very difficult. We have a group of claims, for instance, from employees of big Canadian organizations, such as General Motors, who were posted there by the company. You would have a tough argument on your hands to convince them that they went there willingly. It is very difficult to say.

Mr. HURD: I would like to say this—and it might throw some light on Mr. Theriault's statement. I do not think what I am about to say has ever come out before and I think this is an appropriate time to bring it out. I happen to know some of the people who were senior in the Hong Kong government. I will quote one gentleman's name, and I am sure he would not mind. The Hon. J. Patterson told me that when they saw the war coming they had made a great many attempts to send the civilians home, explaining that it was not safe for them to be there. It was a difficult thing to do. They pulled strings, and a lot of them stayed there. They asked to stay there. They thought, evidently, that the war would never come to them, and they were caught there of their own free will.

Mr. STROUD: That is true.

Mr. MONTGOMERY: Those who joined the army volunteered to go and serve wherever they were expected to go.

Mr. CLARK: That is correct. They did not know where they were going. Every man was a volunteer.

As far as forced labour is concerned, we are making this claim under international law and human rights.

Mr. STROUD: In 1942 there were a number of civilians in Hong Kong who had the opportunity to be repatriated. It is a known fact that a number of civilians had homes in Hong Kong and chose to stay in Hong Kong in the civilian camps. I think you will find that can be verified. Everyone had an opportunity to come home in 1942. As a matter of fact, our two nursing sisters were repatriated on that ship.

Mr. SPEAKMAN: What was the condition of the civilian as an internee? Did it compare with the condition of the serviceman?

Mr. CLARK: It was very severe, but it was voluntary labour to a certain extent and forced labour for punishment.

Mr. SPEAKMAN: In actual fact, they were better treated?

Mr. CLARK: A lot better treated. In Japan they were 100 per cent better treated. In Japan conditions were, I would say, 60 per cent worse than they were in Hong Kong. Conditions were bad in Thailand and they were bad in Japan.

Mr. PUGH: Did the civilian internees receive exactly the same maltreatment pay as the troops?

Mr. THERIAULT: Yes, an exactly identical award.

Mr. PUGH: Have you any figures at all in regard to deaths in camps of civilian internees as against prisoners of war?

Mr. THERIAULT: We could state, of course, how many death claims we have had from civilians. But, again, the situation is awkward. Most of the civilians who died were missionaries and they were in a sort of loco parentis relationship

with their corporation, and the society to which they belonged. Therefore, the question is still a debatable one—is the society the dependent of the deceased? Are they entitled to claim?

Mr. PUGH: I was not thinking so much about that, but of those who died.

Mr. THERIAULT: The only way we could get a figure would be by the number of claims, and we are well aware that a large number of claims that could have been made by certain religious groups, have not been made.

Mr. PUGH: Have you any data as to how civilians were treated in camps, as against prisoners of war?

Mr. THERIAULT: It varied greatly. We had in Manchuria, for instance, a religious order which was subjected solely to enforced residence for three years and it was absolutely unable to establish any evidence to compensate for maltreatment.

Against that we had in some areas some people who were so brutally maltreated that they are crippled for life. There is no common rule applying at all to civilians, whereas there is a common rule applying to the serviceman. There is this exception, that of those Canadians who served in the Imperial Forces were posted to the Far East. The condition of those Canadians is not that of a group; it is that of each individual. Some of them were treated very badly, and some were not—they are a marginal group.

Mr. PUGH: Depending on where they came down?

Mr. THERIAULT: Yes, and in what camp and in what area they were interned.

Mr. PUGH: I have one more question. Was there such a thing as Pacific pay?

Mr. CLARK: I have the data on that. When we came back from overseas we made representations to the Department of National Defence for the payment of loss of personal kit. The payment of yen that the Japanese were supposed to have paid us was given to the government in payment for our service, and also Japanese campaign pay.

We were informed we could have none of those things. However, we persevered on it and the Department of National Defence issued PC 105238, which allowed a partial payment for loss of personal kit. This amounted to about \$40 or \$30 or \$10, as the case may be. They said that the Japanese-issued currency in the possession of liberated prisoners was to be exchanged at the rate of one yen, or one Malaya dollar, or one Hong Kong dollar for one shilling, or one and seven-eighths, with a limit of two pounds (Sterling).

I do not know where they got this from, but it worked out that we got \$7.50 for 35 yen. We were not satisfied with that, so we came down and appeared in front of the committee on veterans affairs and brought the whole thing in front of you. Your committee recommended to the government that Japanese campaign pay be paid in full.

Here are the rates on that. It is 30 cents a day extra, and the officer rate is a dollar a day. Those are the rates. That was order in council PC 3593 issued May 16. That order in council was issued, and according to what we heard from the members at that time, it was recommended that be paid in full. But when it came to be paid, the Department of National Defence paid it for four months and that is all. Not four years, but four months.

Mr. HERRIDGE: Mr. Chairman—

The CHAIRMAN: Mr. Herridge, I think Mr. Pugh is following up a point.

Mr. PUGH: I understood there was a pay known as Pacific pay which was 45 cents a day flat, and these other payments which were made for kit were different altogether. My information is that the forces were not considered eligible for what is known as Pacific pay, and I was wondering if that is correct.

Mr. CLARK: We were considered not eligible for Pacific pay until we appeared in front of the committee on veterans affairs. We pointed out to them that the men who served in Texas were Pacific volunteers and they had to be paid until date of discharge from the army. We figured that we were still fighting the war in Japan and we should receive Japanese campaign pay too; and the committee ruled that we should. But we did not get it.

Mr. PUGH: You got it for four months?

Mr. CLARK: We got it for four months.

Mr. PUGH: Was that on the basis of so much a day?

Mr. CLARK: Yes.

Mr. PUGH: Forty-five cents.

Mr. CLARK: No; it was thirty cents a day for privates and a dollar a day for an officer.

The CHAIRMAN: Now, Mr. Herridge.

Mr. HERRIDGE: I would just like to ask Mr. Theriault a question. Did I understand him to say that some religious organizations have claimed for compensation for the death of their members on the same basis that a dependent relative would claim for the loss of someone upon whom he was dependent?

Mr. THERIAULT: Yes.

Mr. HERRIDGE: What were they paid?

Mr. THERIAULT: Not much, because it was very, very difficult to establish the actual extent of the pecuniary loss.

So it was worked out on a formula that all expenses incurred by the association in the special training of missionaries in the language of the country to which they would be posted, would be basis of the actual pecuniary loss; and that amounted to something like \$600 a year, possibly, over a period of two or three years.

That was the full extent of the award that was granted as against other civilian claims where the children, or the surviving widow might have been granted up to \$65,000.

Mr. MONTGOMERY: Would a man and his wife—just take a man and his wife—would they both claim? Would they be allowed the same amount?

Mr. THERIAULT: It all depends; you mean if the man claims?

Mr. MONTGOMERY: Could a man claim for a woman?

Mr. THERIAULT: If the claim was for the loss of his wife, such as in the torpedoing of the steamship *Athenia*, he would have a tough case to establish the amount if the pecuniary loss. This may be by way of additional expenses of a housekeeper in order to look after the children if they were of minor age; possibly the hiring of a maid, and so on; and then there would be an allowance for general dislocation caused by the death of one of the spouses.

It would be quite different if the husband died, because the wife could then file a claim on the basis of his earnings.

Mr. MONTGOMERY: Supposing that neither of them died, but were independent and were subject to forced labour?

Mr. THERIAULT: They are both entitled to claim for maltreatment; and if the maltreatment resulted in substantial incapacity, then the pecuniary loss resulting from this incapacity would be a personal injury claim.

Mr. MONTGOMERY: Were children forced to work?

Mr. THERIAULT: We had only two instances of a whole family being interned with children. In one case the children suffered more from tropical disease than from actual maltreatment; and in the other case the children came out absolutely all right physically.

Mr. MONTGOMERY: Thank you.

The CHAIRMAN: Does that complete your questioning, gentlemen?

Mr. STEARNS: If the committee has finished questioning the witnesses, I have one point to bring up which was mentioned to me today at noon. These witnesses today, and in the past ever since 1946 have incurred a great deal of expense.

Whatever happened to the past expense, I do not know. Someone said they may have spent around \$15,000 in trying to present these different claims to the government. As to their expenses here today, will the treasury reimburse them for appearing here as witnesses before this committee?

The CHAIRMAN: That is something I think which will have to be taken up by the steering committee. We have requests from at least a dozen organizations to come before us. It is by their request, not ours.

I think the practice is that if the committee requests the presence of the delegation, then the matter of expenses would be taken into consideration. But if the request comes from outside the committee, then there is some discussion on the point. I think you can understand why. We would have groups coming from all over the country requesting to appear before us. We would not deny them that privilege, yet we would be responsible. Obviously the question arises as to where to draw the line.

Mr. STEARNS: I wanted to bring it up for the benefit of the delegation that came here.

The CHAIRMAN: I have been with the committee since 1951. In my experience I understand the practice to be that if a delegation is called by the committee, then there is a possibility of payment of expenses. Otherwise not.

Mr. STEARNS: They are on their own.

Mr. ROGERS: I would like to get this clarified in my mind. While you are appearing primarily for the Hong Kong veterans, you are appearing for all the field?

Mr. CLARKE: We have carried all the p.o.w.'s along in our brief. We have not stipulated.

Mr. ROGERS: There have been cases in other camps?

Mr. CLARKE: Yes, those in chains.

Mr. BROOME: It has been pointed out that the camps operated by the S.S. were just as bad as the Japanese camps. What confused me was that the brief differentiated between maltreatment and forced slave labour.

It seems to me that maltreatment is really the important point, because, according to the Geneva convention, prisoners are supposed to be treated with dignity. But it is allowable that they do a reasonable amount of work. I think the words "slave labour" have the intent of showing an unreasonable amount of work which actually forces the prisoner into privation and which in turn affects his health and so on. It is a vicious spiral you get into.

But these prisoners of war who were treated according to the convention and did a type of work that perhaps we had prisoners of war doing for us, but under decent living conditions—there is certainly nothing involved in here. You are not talking about those people then?

Mr. CLARKE: The reason we say "forced labour" is because labour was forced for long hours and was unpaid.

Mr. BROOME: All prisoners of war labour would be forced.

Mr. CLARKE: It stipulates in the Geneva treaty that it must be paid for. We were never paid. We were given some worthless yens. When we came back they gave us \$7.50 for 55 yens. Some of the boys still have thousands of yens which were given to them at the last moment as a farewell present, and which they could not spend.

Mr. MONTGOMERY: The food that you did get was the food of the Far East, and it would be different from that to which you were accustomed.

Mr. CLARKE: It was mostly composed of rice, millet, beans, dried fish ground up, and any vegetables that we could grow ourselves. It was strictly guarded by the Japanese guards and was only issued from time to time.

At times we got offal fish, that is, fish which would not be sold on the market. That was brought in; and cows heads and stuff like that, offal, entrails and suchlike. It was all boiled up with rice and made into a sort of stew.

Mr. PARIZEAU: Did you have your own cooks?

Mr. CLARKE: Yes. The officers with the troops were forced to maintain the discipline of the troops and they would be held responsible. If anything went wrong they were held responsible for taking out a certain number of men to work; and if the men did not work, the rations would be cut.

If you had to put 100 men in a party, and if 25 of them were not able to work, then you only had 75 rations for them that day; the rations were cut to 75. So we would carry the men out on stretchers to work. They would work at straightening bars or picking up bolts. Your rations depended upon your work-party.

Mr. PARIZEAU: Is this the first time that a brief of this nature has been presented?

Mr. CLARKE: No. We presented our case fully, and we told of all these things. We told the committee on veterans affairs in 1948.

Mr. BROOME: In regard to the prisoners of war who suffered extensively and then made application for pension based on the degree of disability—it might not appear as physical, but there was a degree of disability there. I wonder if Mr. Mutch could give us any idea as to the pensions that have been allotted to certain veterans on the basis of weakened physical conditions, and permanent injury to health.

Mr. MUTCH: At the beginning when the survivors came home, there was a very generous assessment. I say that in terms of assessment, as compared to normal conditions, partly because there were a great many claims that were obscure in our experience—obscure in the sense that our doctors were not familiar with them. So for the first two years the veterans who returned as prisoners from Hong Kong were treated as a special group.

Over the years, as Dr. Crawford mentioned, when he was before the committee the other day, they were treated—I think it would be fair to say, more generously than others on account of the unknown conditions in which they lived and operated. In some of these cases there is no longer any residual pensionable disability, for example from avitaminosis. Those men still hold entitlement for avitaminosis, and if there is an increase in disability from it, the pension may, at any time be restored.

I hesitate to say that they were treated as a preferred group of pensioners because I do not think they were. They were treated however as a special group of pensioners, and they have continued to be so regarded by the commission.

One of the best of the medical advisors to the commission still concerns himself with maintaining personal contact with their files and in trying to establish on the somewhat narrow basis which exists, special statistics to aid in dealing with them. I think it is significant in the brief that is before you—if I am wrong you may correct me—that in the last two years no complaints have been issued against the treatment of this special group of veterans by the Commission.

The Hong Kong veterans have been, over the years, regarded not as a special problem, because they would resent that. We do not think of them that way, but rather as a special classification.

In the beginning we did not know, but as we found out we have attempted to bring the level of their compensation up to the established levels. If there is any difference I think that they, along with other prisoners, have had preferred attention. It would still be safe to say that the Commission is still reviewing their problems from time to time. For the first two years we did it without application, but we are still reviewing them as the need arises.

Mr. CLARK: We have no argument with the Department of Veterans Affairs, or with the Canadian Pensions Commission. We have found courteous treatment there.

Of course we did have a little trouble making representations, but since they put in Dr. Crawford, Dr. Warner and Dr. Richardson they have done a fine job.

Mr. WEICHEL: Was it last year that you paid this dollar or was it two years ago?

Mr. STROUD: We paid it in 1945, when this committee appeared before Justice Minister Ilsley and we made representations before him at that time. At the same time we asked for compensation for the representations made in Ottawa.

We appeared before Justice Minister Ilsley at the time, at his request, and we gave evidence, and also along the lines set up by agreement with the war claims group. We gave evidence at that time but there was no compensation allowed for the delegation which came from the west, and also from Quebec. I think that can be verified. I think we can resolve that. The report made by Mr. Ilsley goes on to speak about the rations given by the Japanese and it also gives the figures of the prisoners of war in Germany and in Japan. These figures may help you in your discussions. This is at page 44, the last paragraph:

The extent of the atrocities and the result of the lack of food and medical supplies is exemplified by a comparison of the number of deaths of prisoners of war in the European theatre with the number of deaths in the Pacific theatre. Of United States and United Kingdom forces, 235,473 were taken prisoners by the German and Italian armies; of these 9,348 or 4 per cent died in captivity. In the Pacific theatre 132,134 prisoners were taken by the Japanese from the United States and United Kingdom forces alone of whom 35,756 or 27 per cent died in captivity.

Mr. CARTER: In respect of the awards which have been made so far, can somebody explain on what basis they have been worked out? Mr. Theriault said something about a formula. Does the formula apply to veterans as well as civilians?

Mr. THERIAULT: The formula applies only where you have to compute a lump sum award.

Mr. CARTER: In the case of maltreatment and forced labour, our troops received \$1 less than the United States troops. Does anyone know on what basis the United States prisoners were paid? Is the amount related to the amount of money in the fund? I have never been able to find out just what the basis is which has been used for the payments which have already been made.

Mr. THERIAULT: In Canada the theory is that the award is related to the available fund. In the United States they paid out the money to the servicemen first until they exhausted the fund, and then they had to go to their consolidated revenue fund, or whatever fund they have, to pay the compensation to other groups.

Mr. CARTER: In other words, they established a priority as between veterans and civilians?

Mr. THERIAULT: Yes.

Mr. CARTER: And we have not done that?

Mr. FANE: Did I understand Mr. Theriault correctly when he said there was more or less \$14 million still in the fund?

Mr. THERIAULT: Originally. At this stage I do not know how much money is left.

Mr. FANE: There is more or less \$2 million which the Hong Kong veterans are asking for.

Mr. THERIAULT: The basis of the payment for the Hong Kong veterans was for approximately 1,300 days at \$1.50 a day and those who have been paid up have received over \$2 million.

Mr. FANE: They are still asking for an amount of \$2 million?

Mr. THERIAULT: No. Approximately \$1,200,000.

Mr. BROOME: I make it \$2½ million.

Mr. THERIAULT: I am deliberately giving the most conservative figure.

Mr. FANE: And are there other claims to add to that, out of what you have in the fund now?

Mr. THERIAULT: If an amendment to compensate for forced labour should be passed by the government, obviously this would open the door to the 7,000 servicemen who were interned in Europe. How many of these would establish a satisfactory case of forced labour nobody knows.

Actually, in the war claims report, the advisory commissioner was of the opinion that the adjudication would be impossible because conditions varied considerably in Europe. In the same camp they would take two labour commandos, assign one to a farm and one to a factory. It might turn out that the commando who might establish slave labour or maltreatment might be the one assigned to the farm rather than the factory. It is all contingent on the evidence which each claimant would be required to gather and provide.

Mr. FANE: How can it be established how much money is left?

Mr. THERIAULT: I presume by a simple request to the Minister of Finance.

Mr. MACEWAN: I would like to ask Mr. Theriault if all these claims for maltreatment on the basis of the extra 50 cents have been processed and paid as yet?

Mr. THERIAULT: No; not on the 50 cents. There is still approximately 1,500 claims outstanding.

Mr. FANE: This commenced in November of 1958?

Mr. THERIAULT: The actual amendment was enacted on October 23, 1958. It involved the administrative procedure to release 9,000 additional cheques.

Mr. McINTOSH: Mr. Chairman, I wonder if the delegation will elaborate on the last paragraph of their brief? We know about the \$1. Is there anything else which is supposed not to have been honoured?

Mr. CLARK: Ever since 1945 it has been necessary, at least three or four times a year, to come down to the Department of National Defence in the first place, the Department of Veterans Affairs or different departments, in order to attempt to have these claims paid or to bring up cases of improper treatment of Hong Kong veterans at the different hospitals, not in Ottawa, but for instance, in Winnipeg, Vancouver or Sunnybrook hospital. We have written to the different departments and we did not get much satisfaction. So we had to come down and give them the actual facts and practically swear to them and then it was investigated and changes were made.

Mr. McINTOSH: Would you list one, two, three, and four, whatever they have not honoured—their promises?

Mr. CLARK: Do you mean the payments?

Mr. McINTOSH: No. It says here: "May it be drawn to your attention that the Veterans Charter of Canada states in the foreword 'Canada has brought forth legislation for veterans which is surpassed by no other nation.'" And then it goes on, "We only request that this legislation be honoured." I want to know what legislation has not been honoured.

Mr. CLARK: When we came back they promised Japanese campaign pay which has never been paid. We were promised we would be satisfactorily compensated for loss of kit and that those who had not been paid would be satisfactorily compensated for the time. If that had been paid we would have no claim today.

Mr. LENNARD: Who promised that?

Mr. CLARK: The officers.

Mr. HURD: There was an officer under the command of a colonel who was sent out—a rehabilitation officer. I recall meeting him when we were taken to the Philippine islands into a camp and we met the first Canadian rehabilitation officer. He told us, among other things, about the new plan the veterans had for settlement of people, rehabilitation at home, the Veterans Land Act and the different gratuities and all the legislation which they had for our benefit on our arrival home.

Mr. LENNARD: This was all verbal?

Mr. HURD: As far as I was concerned.

Mr. CLARK: No, sir. We were issued a booklet, "Where Do We Go From Here?"

Mr. McINTOSH: That was not especially for the Hong Kong veterans?

Mr. CLARK: No. It was general.

Mr. McINTOSH: Was there any promise of legislation which applied only to the Hong Kong veterans which has not been fulfilled except for the \$1, the campaign pay, and losses of kit?

Mr. CLARK: The money was supplied in the order in council to pay the campaign pay, but we never got it.

Mr. THOMAS: This is a very serious matter and it ought to be followed through. This committee should find out about these promises; who made them, how responsible they were, and to what extent they have been fulfilled.

Mr. LENNARD: You say there was an order in council?

Mr. CLARK: I have it right here. It is P.C. 3593, Appendix A, dated May 16, 1954. The other is P.C. 105238.

Mr. LENNARD: I think this ought to be followed up and that we should have an explanation as to why it was not paid in full.

Mr. McINTOSH: Could we have that now? I am wondering if there was an error. Have the veterans been told?

Mr. CLARK: We come down and see the members and the senators and they say, "We will fix this up with the department" and when it gets to the department the answer you get is rolled up in red tape. They say, "Try the Department of National Defence", the Department of National Defence says that it is not their job and tells us to try the Department of Finance, and from the Department of Finance you go to the Secretary of State and then it goes around and around. There are the letters; there are piles of them.

Mr. McINTOSH: We see them day after day.

Mr. CLARK: If you do make any decision, all we ask is that you see it is followed through or we will have to come back here again.

The CHAIRMAN: I think it should be possible to obtain all the relevant data upon which we can base any recommendations.

Mr. MACDONALD (*Kings*): I was going to ask if it is possible that that four months would be the period in which the special force was raised.

Mr. CLARK: Yes.

Mr. MACDONALD (*Kings*): After the end of the European campaign?

Mr. CLARK: Yes.

Mr. MACDONALD (*Kings*): I understand they had special pay.

Mr. CLARK: Yes.

Mr. MACDONALD (*Kings*): Up to that time I assume the people in the far east were considered on the same basis as those in Europe. Would that have any bearing on it?

Mr. CLARK: It did have a bearing on it, but as we pointed out when we appeared in front of the committee on veterans affairs, we did not quit the war; we were still fighting. Fellows were escaping and sabotage was being committed. We carried on right to the bitter end, and we say we deserved the pay. Your committee agreed to that. But after many months when they decided to pay it, we found out it was slightly cut. They would not do anything about it.

Mr. WEICHEL: I was going to ask you, if this committee decided on giving these people their request, how could we figure out what should be done about the other 7,000 who might put in their claims. The reason I mention that is because we have to come to some decision. If you do not, those funds are going to be there a long time after these people are dead and somebody else will get it who is not as worthy as these men.

Mr. HURD: I think, as pointed out, we have much better claim to it—not that I am trying to discriminate against my comrades who served in Europe. Here are some of the facts, as I remember them, that were mentioned by the Minister of Veterans Affairs, when something like this came up. He stated that the Hong Kong survivors, due to their medical record when they arrived in Canada, were in much worse condition than prisoners from the European theatre of war.

Now I cannot tell you, sir, how many Red Cross parcels, for example, our comrades had in German prisoner-of-war camps. I understand unless they fell into the hands of the Gestapo, they arrived quite regularly. But in four years of internment I received six which, spread over a period of four years, is quite a small number. The Germans were not a thieving race like the Japanese. The Japanese were selling Red Cross food that had been sent to us. We had definite evidence of that in our camp. These facts came out in connection with the trial of Colonel Tokanago, when he was tried for misusing us in Hong Kong. I think that is a practical point in our favour, of not being quite so much concerned with the European prisoners, except in individual cases.

Mr. MONTGOMERY: If there is no money in this fund when it is finally wound up—you, of course, expect your share of it—but supposing there is not enough in the fund after the claims are all adjudicated, and it is paid out and you are still short 25 or 30 cents of this amount for which you are asking, you are really asking the government to come through and pay that out of consolidated revenue.

Mr. CLARK: I will answer that question. We saw the Honourable Roch Pinard three or four years ago in the Department of Finance. He said there were not going to be any more payments made and the money was going to be put into the Canadian treasury. We objected strenuously at that time. We

pointed out if the Canadian government did have to pay out a little more in order to pay all the claims, they had saved an additional sum of money while we were prisoners of war. They did not feed, clothe or arm us. They saved a lot of money, so in the end they would be nothing out.

Mr. CLANCY: In talking about the European prisoner being made to work, he was paid in laager gelt and received a fairly good rate of exchange when he came back, and he could collect. If he brought enough laager gelt back with him he could collect in cash the total amount for every day he worked.

Mr. CARTER: That has to do pretty well with the question I had in mind. I was not clear whether or not their loss of pay was due only to the depreciation of the yen or whether they had not been paid as many yen as they were entitled to receive in accordance with international law. What is the situation?

Mr. CLARK: We gave them 35 yen and got \$7.50. But if you took the prewar rate of the yen and said: all right, you are entitled to so many yen a day under the prewar regulations and international law, we would not have any claims now.

Mr. CARTER: You got all the yen to which you were entitled, but they were not worth anything.

Mr. CLARK: Yes. In some cases they paid it to you and while you were asleep they took it away. When the guards came along you would be asked to stand up; they would take it out of your pocket and pay it out all along the line.

Mr. PUGH: I would like to read a paragraph from a letter which I received the other day. It covers a number of things.

There is another aspect that cannot be overlooked when it comes to just consideration. Any Canadian prisoner of war paid his own way. The Japanese rented our services to the employer, whether it was in the shipyards, warehouses or mines. They had a set fee per diem. Of this money the Japanese army took so much for our room and board, medical care—practically non-existent. They claimed they were putting so much into the Japanese postal savings and the remaining 10 or 15 sen was given to the prisoner of war. One would labour for a month and barely have enough to buy ten cigarettes if they were available.

Mr. HURD: I think perhaps I can add some more information to Mr. Clark's statement. Perhaps you are vague on what yen is. As I understand it, the Japanese had yen in their own country which was legal tender, but when they invaded a place like south China they had a machine that rolled off money called military yen, which they would not honour in their own country. This yen was called military yen. Although I am not an expert in relating the difference in cash, I think what I am saying is correct.

Mr. CARTER: Well, it is laid down somewhere in international law how many yen a prisoner of war is entitled to receive a day. The government could easily calculate how many yen they would have to redeem if they were going to pay the prisoners at the proper exchange rate, at the prewar rate. It has been most difficult to obtain any information other than the information that has come in here; that is, 35 yen for \$7.50.

Mr. STEWART: Mr. Carter is talking about the daily rate.

Mr. CLARK: I think the information you require can be obtained from the International Red Cross.

Mr. HERRIDGE: I would suggest, Mr. Chairman, that rather than spend the remaining time going all through these Japanese financial finaglings—they mentioned that they would be happy if they got an extra \$1 a day; and I suggest we stay with that.

Mr. CLARK: Yes. We asked for \$1.50, but if the committee will see that it does not get bogged down in the department for another year, we would be pleased to accept that.

Mr. CARTER: I have every reason for pursuing my line of questioning. I was trying to estimate the unredeemed promises. They were promises and the promises were not kept. Those promises had a certain cash value which is still outstanding. There is a moral obligation.

Mr. THOMAS: Would you enter into that particular promise? I understand this was a promise made by the Canadian government.

Mr. CLARK: We are still pressing for the forced labour payment because we never got paid for it. It is as simple as that.

The CHAIRMAN: Mr. Herridge made a wise comment a moment ago when he said that we have been wandering somewhat from the purview of the brief. We are reopening a lot of issues that have been discussed down through the years, since 1945. I have heard some reference made to this committee. It was not actually this committee that sat in consideration of this matter because this is a standing committee on veterans affairs and the former committees that considered these matters were special committees of veterans affairs. I think it would be understood that this committee as such has no responsibility for those decisions that were made years ago, particularly this yen issue. It must have been made with all the facts and the information before the committee. I wonder if we could stick to the contents of the brief before us.

Mr. CARTER: I do not agree with you. That particular issue is raised here in this brief. The witnesses are here and I think this should form a part of the proceedings—and this is irrespective of what committee sat or when it sat. If there is an obligation on the government to do that, I think we should be sure about it. I think we should know exactly and precisely what it amounts to.

Mr. MACRAE: I think while we have deviated, it has been time well spent because the new members are not aware what the situation has been. I think Mr. Herridge's suggestion was a wise one. All of this has been good; and when we finally make our recommendation it can be remembered. However, I think we have pretty well covered the issue at this time.

Mr. STEARNS: I have one question: are there copies of the Ilsley report available that could be passed around to the members who have not had the opportunity of reading it.

Mr. CLARK: We may have one or two here.

Mr. STROUD: We do not mind leaving the copies we have on hand.

Mr. CLARK: If you want some good reading, something that will pin your ears back, something like the Bridge on the River Kwai, I would ask you to read that report all the way through. It makes good reading and is very amusing.

Mr. BROOME: I will move that the committee be supplied with copies of that report.

The CHAIRMAN: We will have to see if copies are available. The name of the report is "war claims report of the advisory commission, February 25, 1952".

Mr. BROOME: We have the right to send for papers and we are going to ask for fifty copies. My motion has been seconded and I ask that it be supplied.

Mr. HERRIDGE: I quite agree with Mr. Broome; but if, by chance, it is not available and the information is extinct, we should not ask for a reproduction.

Mr. BROOME: If available.

Moved by Mr. Broome and seconded by Mr. Stearns.

Motion agreed to.

The CHAIRMAN: How are we coming along with the discussion of the brief? Are there any further questions?

Mr. THOMAS: I may be dumb, but I am still not clear on what this implied breach of faith involves. The witnesses have said that certain promises were made in times past and have not been kept. I would like to have placed on the record, if possible, a definite statement of what those promises were and in what respect they have not been kept. We are all mixed up with dollars and yen, and I am not sure whether the promise was with regard—

The CHAIRMAN: Mr. Thomas, as I read the brief—and you have a copy before you—it is dealing with the extra compensation for forced labour. There is a comment at the end of the brief, which was raised by Mr. McIntosh: "Canada has brought forth legislation for Veterans which is surpassed by no other nation. We only request that this legislation be honoured".

As a result of that in answer to the query some further statements were made outside the brief on the point of legislation which has not been honoured. That is where the yen discussion originated. It is not in the brief as such.

Mr. BROOME: I think it is. Here they mention the United States, Australia and New Zealand in the rate of recompense for forced slave labour and hardship. It came to \$2.50 a day. Ours has come to \$1.50. In that way I think it states in the brief that we are not as good as some other countries in that regard.

Mr. STROUD: That is what we had in mind.

Mr. THOMAS: That is still not an answer to my question.

Mr. CLARK: I would state that if we had been paid by the Canadian government for the yen that the Japanese paid us, or did not pay us, and if we received Japanese pay in full when we came back, we would have no claim for forced slave labour.

We did not receive the payment, so we are making a claim against enemy war assets that were held in this country. The war claims commission said they had other commitments. They have paid that money out to these large companies or other organizations and the money has all gone.

The claim, as far as we are concerned, still stands, because human rights and our pay is involved. They should have paid that first.

Mr. THOMAS: I have one more question. Is the witness now saying that the Canadian government made promises which they did not keep? That is the point.

Mr. CLARK: I would say departments of the Canadian government did not. When we met the different members here, they did everything they could; but the Department of National Defence certainly did not keep its promises.

Mr. MCINTOSH: You said the rate was \$7.50 for a certain number of yen. What did you expect to get for that yen?

Mr. CLARK: I could not tell you what it amounted to. You could get that information from the war claims commission in Washington, D.C. I did have it, but I sent it on to England and asked them to return the copy, and they did not do it.

Mr. MCINTOSH: Was it 10 per cent or five per cent?

Mr. CLARK: I think it was about 10 yen to the dollar, something like that.

Mr. MCINTOSH: How many did you get for \$7.50?

Mr. CLARK: Thirty-five.

Mr. MCINTOSH: That, to me, is only \$3.50, and you got \$7.50 for it.

The CHAIRMAN: Have we completed our discussion on the yen issue? As I understand it, the yen issue has merely been thrown in as illustrative material. The point at issue here is the forced labour payment.

Mr. THOMAS: I would agree that the yen issue has little to do with this. All I was interested in establishing was, were promises made to these men by the Canadian government, or by any department of government or by any responsible official, which have not been kept?

Mr. CLARK: They were made by the hon. Mr. Claxton in the Department of National Defence. I forget the date, but it would be on record. The delegates were Mr. Clark, Mr. Peller and Mr. Stager.

Mr. THOMAS: Were promises—

The CHAIRMAN: Mr. Thomas, if we were to start pursuing promises that have been made by politicians down to the enth degree—

Mr. THOMAS: I do not think we should dismiss it like that.

The CHAIRMAN: Or are we going to stick to the subject matter of the brief?

Mr. ROGERS: I do not think it matters one dime whether the war claims has a fund or whether it has not. If the request in this brief is justified, then it is up to the national revenue to pay it. That is all I say.

The CHAIRMAN: Have we any further discussion? We have put in a very good day's work and we must conclude within a reasonable space of time. But we wanted to have a thorough and complete discussion on the contents of the brief before us. Have we completed that discussion?

Mr. McINTOSH: Just for the record, I think the witness misunderstood a point in his statement. It was pointed out to me in one of the letters that my colleague has here that the government would only cash 35 yen of the amount that they had.

Mr. CLARK: That is right.

Mr. McINTOSH: Not that they expected to get that as yen for—

Mr. CLARK: No.

Mr. McINTOSH: You have thousands of yen, I suppose?

Mr. CLARK: Yes. One boy here has 10,000.

Mr. STROUD: In certain camps we got it all thrown out at the end of the war and we had a big crap game. Some came back with nothing, and some with a great deal, because they would only cash 35 yen, and that was it. But others did not have any yen to cash. That is what it was.

The CHAIRMAN: Gentlemen, the discussion seems to be a little ragged around the edges herè. Are there any further comments?

Mr. BROOME: I move we adjourn.

Mr. CLARK: Could I speak before we adjourn?

The CHAIRMAN: Yes.

Mr. CLARK: I wish to thank the chairman and the committee for the fine attendance and their kindness to me, because I get wound up at times.

The CHAIRMAN: Speaking for the committee, Mr. Clark and gentlemen, it has been a pleasure to have you and to meet you personally. The points that you have raised will be given very careful consideration by the members of the committee.

We meet on Thursday morning. The clerk informs us that we have no designated room. Is the hour 10.30 or 11.00 o'clock.

The CLERK: At 11.00 o'clock.

The CHAIRMAN: It does not overlap with other committees?

Mr. BROOME: Estimates are on that morning. Not enough care has been taken to see there is no overlap.

The CHAIRMAN: So far we have only two committees meeting on the same day, and the hours are staggered.

Mr. BROOME: You will be meeting within half an hour of the other committee.

The CHAIRMAN: That is why I was inquiring whether it would be better to commence our committee sittings at 11.00 o'clock rather than 10.30.

Mr. BROOME: I think the Clerk should check with the other committee and give a decent space of time.

The CHAIRMAN: We are willing to sit from 11.00 to 1.00 o'clock, if that overcomes the traffic jam.

Mr. MACDONALD (*Kings*): On Thursday?

The CHAIRMAN: Yes. We will continue our discussion on the estimates. Thank you for a very good day.

—The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

Estimates 1959-60 of the Department of Veterans Affairs

THURSDAY, MARCH 12, 1959

WITNESSES:

Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs; Mr. F. T. Mace, Assistant Deputy Minister; Mr. L. A. Mutch, Acting Chairman, Canadian Pension Commission; Mr. F. J. G. Garneau, Chairman, War Veteran's Allowance Board; Mr. R. Bonnar, Assistant Departmental Secretary; Mr. G. H. Parliament, Director-General, Veterans Welfare Services.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

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Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

House of Commons, Room 238-S.
THURSDAY, March 12, 1959.

The Standing Committee on Veterans Affairs met at 11:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Badanai, Broome, Dinsdale, Fane, Herridge, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, MacRae, Matthews, Montgomery, O'Leary, Ormiston, Parizeau, Roberge, Rogers, Speakman, Stearns, Stewart, Webster, Weichel.

In attendance: Messrs. L. Lalonde, Deputy Minister of Veterans Affairs; F. T. Mace, Assistant Deputy Minister; L. A. Mutch, Acting Chairman, Canadian Pension Commission; F. J. G. Garneau, Chairman, War Veterans Allowance Board; G. H. Parliament, Director-General, Veterans Welfare Services; P. E. Reynolds, Chief Pensions Advocate; C. F. Black, Secretary of the Department; R. Bonnar, Assistant Departmental Secretary; J. E. Walsh, Director of Finance, Purchasing and Stores, with his assistant Mr. A. F. Graves; Mr. J. G. Bowland, Research adviser; Mr. G. S. Way, Chief of Information; Mr. Fred Brown, Superintendent Welfare Branch, Edmonton, Alberta.

The Chairman informed the Committee that the following documents were supplied to each Member in his mail box:

1. Scholarships for Pensionable Children.
2. War Veterans Allowances and The Assistant Fund 1957.
3. The Veterans' Land Act—A Summary of its Provisions.
4. War Claims—Report of the Advisory Commission, February 25, 1952.

The Committee resumed from Thursday, March 5, 1959, consideration of the Estimates of the Department of Veterans Affairs for 1959-60.

Messrs. Mace, Parliament and Mutch gave answers to questions asked at former sittings of the Committee.

Item 455 was further considered and finally approved.

Item 456 was considered. Mr. Garneau was called. During his examination Messrs. Bowland and Lalonde gave answers to specific questions. The said item was approved.

Item 457 was considered. After some discussion thereon the said item was approved.

Item 458 was considered, with Mr. Parliament under questioning. The said item was finally approved.

Item 461 was considered, with Messrs. Lalonde and Mace under questioning. The item was approved.

Item 462 was considered, with Mr. Lalonde under questioning. The item was finally approved.

Item 460 was considered. Mr. Bonnar was called. During his examination he was assisted by Messrs. Lalonde, Mace and Mutch. The said item was approved.

STANDING COMMITTEE

The Chairman informed the Committee that at its next sitting representatives from the Sir Arthur Pearson Association of War Blinded, and the Corps of Canadian (Overseas) Fire Fighters would be heard.

At 12:30 o'clock p.m. the Committee adjourned to meet again at 11:00 o'clock a.m. Monday, March 16, 1959.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

THURSDAY, March 12, 1959.
11 a.m.

The CHAIRMAN: Good morning, gentlemen. Some of you have already been busy in other committees, so I trust you are not too exhausted to carry on with veterans affairs. I believe you have received in the mail copies of these helpful little publications. They include copies of the War Claims Advisory Commission report. That matter has been looked after.

Mr. SPEAKMAN: Mr. Chairman, before we proceed, may I ask that a correction be made in report No. 1?

The CHAIRMAN: Yes.

Mr. SPEAKMAN: I am quoted as saying there is a \$2½ million veterans hospital. It should be "federal".

While I have the opportunity, Mr. Chairman, it is a real pleasure for me to see Mr. Fred Brown, who is superintendent of the welfare branch in Edmonton, present this morning.

The CHAIRMAN: We welcome Mr. Brown to our committee this morning. There are one or two statements arising from our discussion last Monday at this time. The assistant deputy minister has a statement.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): Mr. Rogers I believe raised some question about insurance coverage in respect to government motor vehicles. I should like to place a statement on record.

Neither government travel regulations nor the department requires the driver of a departmentally-owned vehicle to carry insurance covering public liability and property damage.

In the early days of V.L.A., when they had a fleet of several hundred vehicles, it was the general practice for their drivers to carry such insurance, but it is not so today when the V.L.A. fleet has been reduced to some 60 vehicles, and we have not required this insurance for some years past.

Under the government travel regulations the operator of a personally-owned motor car used on departmental business is not required to carry insurance covering public liability and property damage. The higher mileage rates—which I recorded at the last meeting—which are paid thereunder, constitute an encouragement to drivers of privately-owned motorcars to carry such insurance at the level set out in the regulations.

The CHAIRMAN: Mr. Parliament, director of welfare services.

Mr. G. H. PARLIAMENT (*Director of Welfare Services, Department of Veterans Affairs*): Mr. Montgomery asked me for a statement at the last meeting as to the number of nurses we had in training, and I quoted 27 university training and promised to get through hospitals the figures of the trainees and nurses. Of 382 females training under the Children of War Dead legislation, 248 are in training in nursing.

Also, if it is of any interest, there are 706 girls of the 382 who are in training as public school teachers. This is a post-secondary school, but not necessarily university training.

The CHAIRMAN: Mr. Mutch has a statement.

Mr. Mutch: On Monday last, Mr. Carter and others asked whether or not a grant towards "last sickness and burial" expenses would be taken into consideration in adjusting pension to a widow who later received damages from a third party in respect of the death of her husband, and elected to retain these damages.

I am not sure that my reply was sufficiently definite. May I now say that such a grant is made in the discretion of the commission, and is not affected by the subsequent financial position of the applicant, and is not recoverable.

The CHAIRMAN: Does that clear the air, gentlemen? We resume our discussion of the estimates and item 455, veterans bureau. The details are on page 560 of the blue book. Have we any further questions on veterans bureau?

Mr. SPEAKMAN: Has Mr. Reynolds a statement for us?

The CHAIRMAN: He was before the committee at the last meeting when we considered the estimates, and made his statement at that time. Actually we were winding up our discussion of the veterans' bureau, and perhaps we have concluded all the questions under this item.

Item 455 agreed to.

The CHAIRMAN: Item 456,

SOLDIER SETTLEMENT AND VETERANS LAND ACT

456. War Veterans Allowance Board—Administration \$ 155,974

You will find the details on page 561. We have Colonel Garneau with us this morning to answer all your questions. Welcome, Colonel Garneau.

Mr. HERRIDGE: Mr. Chairman, I should like to have the honour of asking Colonel Garneau the first question.

Colonel F. J. G. GARNEAU (*Chairman, War Veterans Allowance Board, Department of Veterans Affairs*): I was going to make a brief statement.

Mr. HERRIDGE: Pardon me.

The CHAIRMAN: I think that might be advisable. We will reserve that honour for you, Mr. Herridge.

Mr. HERRIDGE: Thank you.

Mr. GARNEAU: Mr. Chairman, gentlemen, it is not my intention to make a long opening statement nor again to cover the past history of the War Veterans Allowance Act, as I presume that you are now quite familiar with its objects as well as with the part it has played and continues to play in our veterans' welfare.

I thought, however, in relation to the War Veterans Allowance estimates which you are about to consider, I might give a very brief outline of the salient features of the administration.

The minister is charged with the administration of the act, except as to the powers and jurisdiction to deal with and adjudicate upon applications for allowances under the act.

This authority and jurisdiction is shared between the board, in Ottawa, and district authorities which are established in each district of the department across Canada, and consist of such number of persons employed in the department as the minister may prescribe. These district authorities, 18 in number, deal with and adjudicate on all applications, reviews, suspensions and cancellations of war veterans allowances within their respective districts.

The war veterans allowance board acts as a court of appeal for applicants or recipients who may feel aggrieved by the adjudication of the district authority; it may also, on its own motion, review adjudications by the district authorities and deal with same as though an appeal had been taken. It may likewise review or alter any adjudication made by itself.

The board is responsible also for instructing and guiding district authorities in matters of policy and for advising the minister with respect to regulations concerning the procedure to be followed in matters coming before the district authority for adjudication.

The district authorities and the veterans welfare services in each district constitute a "field force", so to speak, which handles the processing of applications and reviews, makes arrangements for medical examinations where indicated, and deals with all other matters pertinent to the good administration of the act in their own districts.

This, briefly, is the administrative set-up presently in force.

The thought also occurred that your committee might wish me to mention those principal amendments which were made to the act some 15 months ago and which may have had a more direct effect on the estimates which you are about to consider.

These amendments were, in the main: increase in basic rates and ceilings; the reduction, from 20 to 10 years, of the qualifying period of residence in Canada required in the case of ex-imperial and allied veterans and widows; the amendment making the United Kingdom a theatre of actual war for Canadian veterans of World War I who served in the United Kingdom for at least 365 days prior to November 12, 1918.

The authorization to pay orphans' allowances to orphans pensioned under the Pension Act, who hitherto were not eligible.

These amendments, in the main, have accounted in some measure for the rise in the costs of war veterans allowances.

In closing, I may add that, as the board does not keep separate statistics, I shall be indebted to the research advisor of the department for most of the statistical information which you may require in connection with your consideration of the estimates. Thank you, gentlemen.

The CHAIRMAN: Thank you, Colonel Garneau.

Mr. HERRIDGE: Mr. Chairman, for the information of war veterans allowances recipients who often ask me questions about this matter, I had intended to ask Colonel Garneau to explain the administrative procedures with respect to the war veterans allowance board itself and the district authorities of the war veterans allowance board. Colonel Garneau has answered my question in his statement.

Mr. MACRAE: I would like to ask the chairman of the war veterans allowance board if he could state how many awards have been made because of the change in the legislation from 15 months ago. That is, how many additional awards would apply directly to the clause which makes the United Kingdom a theatre of war for those who served there for a period of 365 days?

Mr. GARNEAU: I am indebted, here again, to notes from our research advisor, whom I have asked for this information.

With respect to the increase in the number of W.V.A. recipients as a result of the increases in rates and ceilings at July and November 1, 1957, it is rather difficult to be precise. This is because the increase in rates and ceilings had some impact on the new groups provided for in the legislation in 1957. It is also because many veterans and widows became eligible in the normal course of events because of reaching 60 years of age, or 55 years of age.

However, it has been estimated that there were some 1,800 more on strength at the end of October, 1957, which resulted from the changes made on July 1, preceding. After that, allowing for the increases in the three new groups, there was an increase of some 1,000 during the calendar year 1958, which resulted from the increase in rates and ceilings as at November 1, 1957.

In summary, the increase in rates and ceilings in 1957 resulted in an estimated additional 2800 by December 31, 1958. This figure of 2800 represents an increase in recipients on strength rather than the actual number of awards. Does that answer your question?

Mr. MACRAE: Yes, thank you, Col. Garneau.

Mr. MONTGOMERY: Mr. Chairman, may I ask Col. Garneau a question? Is that percentage of increase much more than the usual percentage for the three or four years before that? That may not be available; it may be a difficult question to answer.

Mr. GARNEAU: I do not know whether I can answer that accurately off-hand. It is pointed out to me by Mr. Bowland that this amount is over and above the normal increase, because of the amendments.

Mr. WEICHEL: Mr. Chairman, I believe at the last meeting I asked a question of Colonel Garneau and he was to look the answer up for me. I am not in a hurry about it.

I mentioned at the last meeting the young chap who came from England in 1910. When the war broke out he went back to England and served in the Royal Air Force. He came back to Canada as an instructor. I was wondering, if he had served 365 days in England, would he be in line for war veterans allowance?

Mr. GARNEAU: That answer has to be somewhat qualified, sir. He was with the Royal Air Force, and the amendment covers veterans who were members of the Canadian forces during 365 days in England. So the answer to that question is based on the answer to the question we are asking the district authority to investigate at the present time, as I informed you. That question is to find out how long he had served if transferred or loaned to the Royal Canadian Air Force or if he had actually flown over on some sortie which took him over the continents of Europe, Asia or Africa.

The act itself is rather—I will not say vague, but imprecise. I will quote from the act:

In the case of World War I, the theatre of actual war is, (A) as applied to the military or air forces, the zone of the allied armies on the continents of Europe, of Asia, or of Africa, or wherever the veteran has sustained injury or contracted disease directly by a hostile act of the enemy

So we are trying to find out now if in his record he had some flights out there, which would give him a break. But if he was a mechanic and had never gone out of England, I am not ruling on the question—

Mr. WEICHEL: I thought in this case he should be given some consideration as he was transferred back here as an instructor and served right through the whole war back in Canada.

Mr. GARNEAU: The point is well taken. I am making a note of that.

Mr. MACDONALD (Kings): I would like to ask whether Col. Garneau has figures of the increase in recipients for the last five years for World War I and World War II. I would also like to comment that in my experience with a number of applicants, the department has been very generous in their treatment of recipients.

Mr. GARNEAU: You say "the increase for the last five years". Do you mean, as they were five years ago and as they are today, by year? Is that your question?

Mr. MACDONALD (Kings): Yes. Have you actual figures, Col. Garneau?

Mr. GARNEAU: In 1954 there were 30,650 veterans; in 1955, 32,476; in 1956, 37,320; in 1957, 39,204 and in 1958, 42,346.

Mr. MACRAE: My question, Mr. Chairman, is supplementary to that. I wonder if Col. Garneau could give us some indication on this, if his research staff have worked it out? When is it expected that the peak of war veterans allowance recipients will be reached? There will be some date, I presume that the research staff at least has in mind, as far as World War I is concerned, and then we will begin to decline.

Mr. GARNEAU: That is the \$64,000 question. Originally the peak for World War I was expected to be 1957.

Mr. MACRAE: Of course, the change in legislation had some effect.

Mr. GARNEAU: Yes.

Mr. MACRAE: And further changes in legislation could affect the validity of any answer you could give now?

Mr. GARNEAU: Absolutely.

Mr. MACRAE: But you really cannot say.

Mr. BOWLAND: We have made an estimate for 1986. The peak of World War I will be reached in 1961-62. But this is subject to change—

Mr. MACDONALD (*Kings*): 1986 in both world wars?

Mr. BOWLAND: That is true.

Mr. HERRIDGE: Is it true to say we are living a bit longer than you anticipated?

Mr. SPEAKMAN: Mr. Chairman, I have a letter before me which I received this week. It concerns a World War I veteran. The letter is not complete and I have asked for further details regarding the veteran. But the welfare officer of a local Legion branch writes in part that this man served in World War I and only had 11 months' service in England. It so happened that his travelling time to and from England gave him the full year. Would he then be eligible for war veterans allowances?

Mr. GARNEAU: This is a point that was debated after the amendments were passed, and we found it very difficult to establish a starting and finishing line. Therefore since service in England was involved, we took in, the date taken on strength on arrival in England, and the date struck off strength in England. That would cover the actual time he was in the United Kingdom.

Mr. SPEAKMAN: Would circumstances mitigate in his favour, perhaps? The writer says he is very handicapped and badly in need of assistance.

Mr. GARNEAU: It is not that we are not sympathetic at all—far from it; but at the same time those were the yardsticks we used. If we start breaking it down, it might become a little difficult to administer in the long run because, as we know, in matters of welfare, it is quite natural for everyone to have a good argument, you might say, on his own behalf.

I am afraid that the circumstances would not mitigate in his favour if he does not meet the conditions of eligibility.

Mr. SPEAKMAN: Knowing as we do the scale of welfare payable from other welfare agencies—and I also feel that we have a responsibility, rather more than any other welfare agency, toward a veteran—just how close do we keep to the line on this regulation.

Mr. GARNEAU: We are as lenient—let me put it this way—and as broad in this respect as possible, consistent with the legislation we have to administer. It is simply a matter, I would say, in a case of that kind, of where we should draw the line in trying to be generous? If we start making an exception for this one or that one on this ground or that ground, it would be very difficult to administer.

Mr. MONTGOMERY: It seems to me that if you do not use the yardstick which Col. Garneau has mentioned, you are going immediately to indicate that you

are putting people on strength in Canada with regard to veterans allowances. If you use any date other than the one when they were taken on strength in the United Kingdom, another man will come in and say "I was serving in Canada".

Mr. GARNEAU: That is why that question was very seriously considered. We felt that the present interpretation was fair.

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): I do not think the act allows for any other interpretation. The act says he must have served in the United Kingdom for at least 365 days.

Mr. MONTGOMERY: I agree. I do not see how you could interpret it otherwise.

Mr. HERRIDGE: If we could persuade the government to change the act so that it read "from the date of embarkation leaving Canada until the date of landing in a Canadian port on return after service in England" that would give a considerable number of war veterans the allowances, which are not allowed under the present legislation.

Mr. GARNEAU: I suppose it would actually broaden the field of eligible recipients. But that is a matter, as you pointed out, of government legislation.

Mr. KENNEDY: Mr. Chairman, we are all aware that there are quite a number of imperial veterans in this country who are in dire circumstances. I know of one specific case of an imperial veteran who did not have service in France. This man is seriously ill and is in very bad circumstances. Is there any possibility of any assistance being given to that type of veteran?

Mr. GARNEAU: This is dealing with World War I, I presume?

Mr. KENNEDY: Yes.

Mr. GARNEAU: If he was an ex-imperial veteran and did not serve in a theatre of actual war, I am afraid he is out. He just does not meet the conditions of eligibility. The same thing applies, unfortunately, to our own Canadian veterans who did not have service in a theatre of actual war or were not in receipt of a pension in respect of such service.

Mr. WEICHEL: Mr. Kennedy asked whether there was any fund that could be applied to them.

Mr. LALONDE: The welfare funds that we have are either the canteen fund raised in the Canadian forces or some funds donated to the department for welfare purposes, with the proviso that the money would be spent for Canadian veterans. At the moment we have no fund which has been donated to us with authority to spend the proceeds for the benefit of ex-imperial veterans.

Mr. WEICHEL: In regard to Mr. Kennedy's remark about his friend, if the veteran he is referring to cannot receive the war veterans allowance, perhaps he could receive the old age assistance at age 65.

Mr. MONTGOMERY: I have an additional question on this point. Will these officers who were on loan to the imperial forces in the second world war be considered as being in Canadian service when the time comes for them to apply?

Mr. GARNEAU: Former members of the Canadian forces on loan or serving with the imperial forces, would still be members of the Canadian forces.

Mr. ORMISTON: I have a question in mind in regard to contributions of war veterans allowance with regard to navy veterans. Is there any difficulty in interpreting the act in this regard?

Mr. GARNEAU: Have you any actual point in mind?

Mr. ORMISTON: No. Is it established in the same principle as the length of service for those above the 365 days in a certain theatre. Would that be taken care of in some other branch?

Mr. GARNEAU: It is likely different in the case of the naval forces for world war I. If you wish, I will read a quotation from the Act.

Mr. ORMISTON: I would like to hear what you have to say in this regard.

Mr. GARNEAU: The definition of theatre of actual war in the case of world war I states:

As applied to the naval forces, the high seas or wherever contact has been made with hostile forces of the enemy, or wherever the veteran has sustained injury or contracted disease directly by a hostile act of the enemy.

Mr. MACEWAN: In connection with that point you are drawing a thin line in regard to 365 days' service in the United Kingdom. I had a case which I brought to the attention of the department where a man only needed seven days to qualify for the war veterans allowance on the grounds of service in England. I suggested he had gone over on an English boat and was on guard duty, and perhaps that would be service in England. However, it did not work. I think that was pretty close to the line.

Mr. HERRIDGE: As a result of the question asked by the hon. gentleman to my right, this has occurred to me: naval personnel on the high seas are liable to the hostile action of the enemy. But once a veteran embarked at a Canadian port for England, he was also subject to the hostile action of the enemy.

Mr. GARNEAU: I suppose so.

Mr. HERRIDGE: He was in the same position as the naval personnel as far as torpedoing is concerned.

Mr. GARNEAU: Yes.

Mr. HERRIDGE: I think that is a good argument at least toward extending this from the time when they leave Canada up until the time they return. I will pursue that matter further, and I hope to have the support of other members of this committee.

Mr. ROGERS: I realize that the administration must be governed by regulations, but two questions were discussed in the last session and one of them was this ceiling of \$8,000. When was that raised to \$8,000?

Mr. GARNEAU: In November, 1957, when the last amendments were passed.

Mr. ROGERS: I think it should be raised again, because you just cannot buy a property for \$8,000. I think it curtails quite a number of applicants; at least, it cuts the allowance down. I would like to see the committee take a stand and make a recommendation that this ceiling should be raised at least another \$2,000.

Mr. LALONDE: You realize, Mr. Rogers, that \$8,000 is not the value of the house.

Mr. ROGERS: What is it?

Mr. LALONDE: It is the value of the equity that the recipient has in the house in which he resides.

Mr. ROGERS: That is right, but what is an \$8,000 home today?

Mr. LALONDE: I think it is our experience that there are comparatively few applicants or recipients who own their own homes outright. Many have a mortgage, and that is not equity.

Mr. ROGERS: I agree, but there are other angles to this, sir. Take the case of farmers who are unable to farm. Perhaps they have a quarter section of land. Of course the investigators come out to them and probably tell them

to sell the property and buy a home, and all the rest of it. I say that it deters a number of applicants. I think that ceiling should be raised. I realize you cannot do anything about it; but I think we as members of the House of Commons could do something about it.

Mr. GARNEAU: We would be very glad to implement any change that parliament wishes to make, sir, as has been stated before.

Mr. MACDONALD (*Kings*): On the question of overseas service for a world war I veteran, is he considered as serving overseas from the time he leaves Canada, or is it from the time he arrives in England? Could you give a decision on that?

Mr. GARNEAU: Again, while he is actually serving in England. Was that in connection with the 365 days?

Mr. MACDONALD (*Kings*): Yes.

Mr. GARNEAU: Oh yes, from the time he is taken on strength on arrival in England until the date where he is struck off strength for his return to Canada that, as pointed out by the deputy minister, is the only interpretation that can be given to the term "service in" the United Kingdom.

Mr. MACDONALD (*Kings*): Would it not be a general principle that when a man leaves Canada he is starting his tour at that time. I am not referring to the way the act is constituted at the present time, but I agree with the other members it might be changed and still come within the principle of the legislation to allow a man the time while he is on the high seas.

Mr. GARNEAU: That is really a point which would have to be clarified, possibly by another amendment to the act. I cannot see that we can otherwise than find, as the district authority and ourselves are finding, in the application of the present clause governing that situation.

Mr. FANE: Mr. Chairman, I have a letter here from which I would like to read certain sentences, and I would like to have Colonel Garneau's reaction to them.

Mr. ORMISTON: I have a supplementary question, Mr. Chairman. Would time spent in the glass house be counted as service in the United Kingdom?

Mr. GARNEAU: I think they would allow it because he was in England during that time.

Mr. HERRIDGE: I have a supplementary question. Does that mean that a veteran who has spent his entire 365 days in the glass house would receive the war veterans allowance, and yet a veteran torpedoed at sea on the way to Britain, and survived, would not be applicable under the present legislation, if he was not in Britain 365 days?

Mr. GARNEAU: Let me say that was far-fetched; we have not had an extreme case of that kind to deal with, so I am not prepared to say exactly what the ruling would have been. But a man who was in detention could have had 28 days field punishment, or something like that, or been in the glass house for a few months, and we would not hold that against him in counting the actual days that he served in the United Kingdom.

Mr. MACRAE: I think these points are all well taken, because the great bulk of our difficulty is with those people who just do not quite make it. Mr. MacEwan said seven days; I have seen cases of 350 days, which are extremely necessitous and worthy.

Following up Mr. Macdonald's remarks, I might say that I was adjutant in the last war, and I seem to recall that we struck our men off strength in Canada on the day we put them on shipboard at Halifax. And, by the same token, they were not struck off United Kingdom strength until they disembarked at Halifax, on return. Colonel Garneau has explained that in world

war I they were not taken on strength of the United Kingdom until they disembarked there; and they were struck off strength of the United Kingdom on the day they embarked for Canada.

Mr. GARNEAU: What position would we be in? For instance, supposing that were to be done, and even allowing for shipboard time going and coming, and the applicant still lacked three or four days?

Mr. MACRAE: There would always be some few more days; but there would be no end to it.

Mr. LALONDE: Mr. Herridge, you cited the case of a man torpedoed at sea.

Mr. HERRIDGE: Yes.

Mr. LALONDE: I believe he is covered and is eligible for war veterans allowance. For purposes of this section "theatre of actual war" means, in the case of world war I:

As applied to the military or air forces, the zone of the allied armies of the continents of Europe, of Asia, or of Africa, or wherever the veteran has sustained injury or contracted disease directly by a hostile act of the enemy.

Mr. HERRIDGE: I am thinking of a veteran who survived without injury or disease, but who was torpedoed. I have a case in mind.

Mr. GARNEAU: We should possibly take a fairly broad view of such a situation, because it does not seem to require that he actually be pensioned for that injury. If it is established that he had a broken arm or he was treated for an injury, or that he contracted pneumonia, or something, following the torpedoing—I do not think we could be too sticky about a case like that.

Mr. O'LEARY: Mr. Chairman, I do not know to whom I should direct this question, but I was wondering what guide or norm was used in arriving at this figure of 365 days. I presume someone was consulted and asked to determine, with a pencil, how much it would cost for those who qualified for 365 days, or for, say, six months. What was the basis that was used in arriving at that?

Mr. LALONDE: I know, Mr. O'Leary, that we have some information, but unfortunately I do not have the file covering that particular matter. Could we give you the answer to that question during a subsequent meeting?

Mr. O'LEARY: Yes.

Mr. MACDONALD (*Kings*): Might I interject to say that was the recommendation of the Canadian Legion before the act was changed.

Mr. LALONDE: Mr. O'Leary, I believe you will find the figures are rather interesting.

Mr. ROGERS: That, Mr. Chairman, is more or less in conformity with the original idea of 365 days of service.

Mr. GARNEAU: I do not quite understand your question, Mr. Rogers.

Mr. ROGERS: I am referring to this 365 days in the United Kingdom. Actually, a veteran has 365 days paid service, does he not? I think it is just more or less in line with the original idea, except they show United Kingdom as service overseas whereas they did not before.

Mr. GARNEAU: I think that had something to do with it.

Mr. MACRAE: A veteran could have one day's service, could he not?

Mr. ROGERS: Yes.

Mr. MACRAE: Where does the 365 days enter into it? What has the 365 days to do with the rest of it? That is what bothers us.

Mr. LALONDE: It has been used to determine eligibility for a veteran with service in Canada only.

Mr. MACRAE: In regard to other legislation?

Mr. LALONDE: For the Veterans Land Act.

Mr. MACDONALD (*Kings*): I think the general idea was that there was a fair number of personnel who had been detained in England for a year or more through circumstances beyond their control, and it was felt this group should be covered by war veterans allowance. There was considerable objection to having those who had been in England less than a year covered under the act. I think that is the general feeling behind the veterans' recommendations, and possibly the government's acceptance of it.

Mr. LALONDE: I think you will find, Mr. Macdonald, if you read the past records of parliamentary committees and the House of Commons, this suggestion originated principally on behalf of a number of Canadians who served in the United Kingdom only and were subjected to conditions of living that were pretty arduous. It was argued at that time that many of them suffered nearly as much as those who had to live in the trenches. This opinion was advanced by persons who had served in world war I. I have all this evidence on this particular file which I am talking about, and if it is the committee's wish, we can discuss it at a later sitting.

The CHAIRMAN: I think perhaps, Colonel Lalonde, we can defer our discussion until we have the full report before us.

Mr. MONTGOMERY: Could item 457 stand?

The CHAIRMAN: I think it will come in as a statement at our next sitting and we can allow any discussion that might arise from the statement. Perhaps we can do that without standing item 456.

Agreed to.

The CHAIRMAN: Have we completed our discussion?

Mr. HERRIDGE: I have one question, Mr. Garneau: The case I am referring to is that of a chap who served in the same battalion as I was in. He was what I term morally married; but was not considered legally married by the war veterans allowance board. On that account his widow is denied the war veterans allowance. Unfortunately, the first husband turned up quite unexpectedly just recently. They thought he was killed earlier in the first world war. Has any consideration been given to amending the act or suggesting an amendment to the act to cover this kind of case?

Mr. GARNEAU: Was he on an allowance as a married man?

Mr. HERRIDGE: Not at the time. He had not applied for the war veterans allowance. That is the unfortunate part of it.

Mr. GARNEAU: He was not on allowance and had not applied?

Mr. HERRIDGE: No.

Mr. GARNEAU: And the husband of the lady he was living with has married—or was he married?

Mr. HERRIDGE: No. This veteran married a lady. She was informed her husband was killed in France. Later on in the first world war she married a veteran, a member of the same company. The marriage was in good faith and the veteran came to Canada, lived until two or three years ago and died without receiving the war veterans allowance. His widow then applied for war veterans allowance under that section, and unfortunately hears from her sister something to this effect: well, what do you think about it, old Bill has turned up! This is the first husband who was supposed to be dead in 1915.

Mr. GARNEAU: It is difficult for me to answer that, but I would be glad to take the name and regimental number so I can look at the case personally, in order to see in detail what is involved.

Mr. LALONDE: This is the case of a lady who married in good faith, went through her regular marriage ceremony and much later afterwards found out that she was not legally married.

Mr. HERRIDGE: About three years ago, shortly after her husband died.

Mr. LALONDE: There may be a way out.

Mr. GARNEAU: That is the reason I am asking for the particulars.

Mr. HERRIDGE: Everything was on the up and up, and the marriage was in good faith.

Mr. GARNEAU: There may be a way out. If you would let me have the name and regimental number, I will be glad to look into that case personally.

Mr. MONTGOMERY: Is the man living?

Mr. HERRIDGE: No, he died without applying for war veterans allowance. She applied and at that time she heard from her sister in England that he was alive. He was supposed to have been killed in 1914, but turned up.

The CHAIRMAN: Are there any further questions under item 456?

Item agreed to.

WAR VETERANS ALLOWANCES AND OTHER BENEFITS

457. War veterans allowance \$59,785,000

Mr. FANE: I think my remarks would come in under item 457. I want to read part of this letter to you. This man says:

I was wounded and awarded a 40 per cent pension, which was added to my war veterans allowance, making it an amount of \$145 a month.

This is the amount he receives to keep his wife and himself. If his wife is sick, he pays out the \$145 a month for her hospitalization. He says:

Nothing would be too good for us at one time; now we are a forgotten group.

These are his words, not mine.

I speak on behalf of all veterans and wonder if it was worth losing a good education, and so on, to work for when there is so much injustice towards us for no apparent reason. We were only doing our duty. The wife of a man going to prison receives more benefits than a veteran in this condition.

And this man says if he was to go to prison himself he would lose his war veterans allowance. I would like to leave that letter with you. I promised to bring it up in this committee.

The CHAIRMAN: What is your point here, Mr. Fane?

Mr. FANE: He would like to have the war veterans allowance increased beyond \$145 a month.

Mr. GARNEAU: I would be very glad to prepare an answer to that, Mr. Fane.

The CHAIRMAN: You can discuss the case directly.

Mr. GARNEAU: It is more a private affair.

Mr. FANE: Do you want me to write a letter to you?

Mr. GARNEAU: If you would like to give me the correspondence, I will return all the documents to you.

Mr. FANE: I will give you my letter.

Mr. LENNARD: Mr. Chairman, I do not think the matter of bringing up individual cases in this committee is in order. It did not used to be years ago. These cases are supposed to be taken up with the department and if you do not receive justice from the department, then you can bring them up here.

The CHAIRMAN: It is not quite in order here. That is why I asked Mr. Fane what point he was emphasizing in this discussion.

Mr. HERRIDGE: Mr. Chairman, unfortunately I find myself in the position of having to support Mr. Lennard, with this exception: you bring up an individual case to illustrate the necessity for an amendment. I have done that,—and I am always in order.

The CHAIRMAN: Gentlemen, I think perhaps this is the point where we might clarify this situation. Obviously, we cannot spend time considering individual cases. That is the responsibility of the branch of the department concerned. However, if a specific point arises which contains some material that could be used for illustrative purposes, I think the Chair would consider that.

Mr. FANE: You discussed individual cases for Mr. Herridge and other people; why not for me?

The CHAIRMAN: We will always consider information of this kind, Mr. Fane, if it underscores a specific point at issue.

Mr. MACDONALD (*Kings*): I was going to suggest, Mr. Chairman, that we have not time to go into a lot of individual cases. We only have time to discuss the broad general principles of the estimates, and the legislation.

Mr. WEICHEL: I believe that in some cases where we are referring to something and one of the gentlemen at the head table brings that up and explains it, it is something worth while. It gives us a little extra education in regard to veterans affairs. I think that type of discussion would be worth while. Instead of our asking questions, if somebody brings up a certain point he could probably refer to some veteran's case and that would help us to understand it.

The CHAIRMAN: I do not quite get your point there. Are you arguing for consideration of individual cases?

Mr. WEICHEL: I thought we might ask a question on some point and perhaps somebody could refer to an individual case to explain it.

The CHAIRMAN: You want officials to refer to cases?

Mr. WEICHEL: That is right; and we are learning something by listening to them.

The CHAIRMAN: I think that has been the procedure in the past.

Mr. MACRAE: Mr. Chairman, which item are we on—457 or 458?

The CHAIRMAN: 457.

Mr. MACRAE: I want to ask a question on 458.

The CHAIRMAN: Is item 457 carried?

Item 457 agreed to.

SOLDIER SETTLEMENT AND VETERANS' LAND ACT

458. Assistance Fund (War Veterans Allowances) \$2,550,000

The CHAIRMAN: Item 458 is the assistance fund in connection with war veterans allowances. The details are on page 562.

Mr. MACRAE: I wish to ask the research staff or colonel Garneau how many cases there are of receiving money from the assistance fund? The assistance fund is, as we know, additional assistance to war veterans allowance recipients or dependents. I would also ask what proportion this is of the total war veterans allowance recipients cases. Did I make that clear?

Mr. PARLIAMENT: The total assisted to December 31, 1958, was 12,798. The total recipients of W.V.A. as of that date were 64,125. The total assisted, as a percentage of W.V.A. recipients, was 20 per cent; but the total assisted, as a percentage of W.V.A. recipients without other income—who are the only people who would be eligible for the assistance fund—is 47.6 per cent.

Mr. MACRAE: Did you know I was going to ask that question? You had it all right there.

Mr. PARLIAMENT: That is right. I expected the question.

The CHAIRMAN: Is item 458 carried?

Item 458 agreed to.

The CHAIRMAN: Now, gentlemen, that completes the War Veterans' Allowance Board and the relative subjects. We will proceed now to item 460, payments to the last post fund.

MISCELLANEOUS PAYMENTS

460. Payments to the Last Post Fund; the payment under regulations of funeral and cemetery charges, including the perpetual care of graves where applicable; the cost and erection of headstones in Canada; the maintenance of departmental cemeteries; the maintenance of Canadian Battlefields Memorials in France and Belgium; Canada's share of the expenditures of the Imperial War Graves Commission; and production of Books of Remembrance \$1,527,800

The CHAIRMAN: The official with all the information is not in the room at the moment. He will be here shortly. In view of that, perhaps we can leave item 460 for the moment and proceed to item 461.

MISCELLANEOUS PAYMENTS

461. Grant to Army Benevolent Fund \$ 9,000

Are there any questions?

Mr. HERRIDGE: What is the exact purpose of that grant?

Mr. LALONDE: It is to help the fund in carrying its share of administration costs. The Army Benevolent Fund was set up by an act of parliament which decreed that it should project its expenditures in such a way that the fund would be available to World War II veterans of the army for a period of 50 years.

There was a certain amount of money put in the fund at that time, and the act provided the Army Benevolent Fund Board with authority to use some of that money to pay the cost of their administration.

On the basis of the mandate received from parliament, the board set up a schedule of expenditure designed to carry the cost of administration and at the same time to make the fund last for the prescribed period of 50 years. This was in 1947. Since then the board has tried to conform in their yearly expenditure to the demands made on it by veterans who are in need of help, and also on the basis of the money available. They are spending a certain amount of the capital each year, plus the interest which is, of course, credited to the fund.

I think it was in 1953 or 1954 that the board came to the minister and said, "When we scheduled our expenses, both for welfare and administrative purposes, we scheduled them on the basis of the value of the dollar at the time you gave us this amount of money. Now, 6 years later, we find that the value of the dollar has decreased so much that we are not able to continue to pay the high administrative costs that we have to pay and still maintain the actuarial mandate to make the fund last 50 years."

The minister felt that the board could not cope with the increase in the administrative cost, and yet he felt that it would not be fair to ask them to cut down on the provincial set-up which they were using. In any event, the minister did not have the authority to tell the board to do that because it is in the act that they will have provincial offices. Therefore, the minister agreed to go to the treasury board and seek authority for a grant to be made to the Army Benevolent Fund Board for the purposes of helping them out in meeting the increased cost of their administration. At that time the board approved a grant of \$8,000. A similar amount has been granted them each year since then.

Mr. ORMISTON: There is an annual accounting given to you.

Mr. LALONDE: There is an annual accounting given to parliament.

Mr. MACDONALD (*Kings*): The Army Benevolent Fund differs from those of the other two forces in that it revolves to the end of the war and the others are still revolving funds? It may be a mistake; but do you know why this fund was not set up in the same way as the navy fund?

Mr. LALONDE: The Army Benevolent Fund was set up immediately after the war. I would say it was planned even before the end of the war, because after VE day I recall we were told that unit funds which were not spent at that time would be turned over to headquarters. These unit funds, plus a share of the NAAFI profits—which were paid to the Canadian government—were lumped together to form the army benevolent fund.

I do not know why the army never became involved in a benevolent fund in the same way that the navy and the air force did. Perhaps the reason is because the army was so much bigger during the last war than the other two services and they could not have the same type of fund provided at that time. I know regular forces of the navy and the air force are still providing funds to those two benevolent funds through the regular service personnel canteens.

Mr. MACDONALD (*Kings*): I think it was a mistake that the army did not follow the same system.

Mr. LALONDE: For the members of the regular force the army now has a Canadian army welfare program administered by the Army Benevolent Fund. They supply their own funds, and those funds are to be used only for severing personnel.

In the long-run you might say the end result is about the same, except that in the case of the navy and air force they lump everything together and in the case of the army they have one fund for ex-servicemen and one fund for serving personnel.

Mr. MACDONALD (*Kings*): I am glad to hear that.

Mr. MACRAE: I think it is the same in the final analysis, as the deputy minister said.

Might I ask how much is in the army benevolent fund? Perhaps we should ask this question of the board itself, but maybe the deputy minister could tell us. It started at about \$7 million in 1946, and I was wondering where it stands today.

Mr. MACE: At March 31, 1958, there was an amount of \$7,517,395.

Mr. MACRAE: Then it has just about been the same for the last 13 or 14 years?

Mr. MONTGOMERY: I want to ask one question with regard to administration. Do I understand this correctly, that the benevolent fund has to keep up the provincial offices in each district?

Mr. LALONDE: In each province.

Mr. MONTGOMERY: In each province?

Mr. LALONDE: That is right.

Mr. MONTGOMERY: Do they work in conjunction with the officials of the Department of Veterans Affairs?

Mr. LALONDE: They do, sir. Each province has a committee of ex-servicemen who serve on the committee on a benevolent basis to look after the cases for that province.

In addition they have a permanent secretary for each province, a paid employee, and that permanent secretary always has his office in one of our offices. So that they really work very closely with us.

Mr. MONTGOMERY: There is really only one paid officer? Take New Brunswick, for example, being a small province.

Mr. LALONDE: There is a secretary and a stenographer. If there is not enough work for a full-time stenographer, we land them a stenographer part-time.

Mr. MONTGOMERY: Thank you very much.

The CHAIRMAN: Is item 461 carried?

Item 461 agreed to.

MISCELLANEOUS PAYMENTS

462. Grant to Canadian Legion \$ 9,000

Mr. WEBSTER: Is this something along the same lines? What is "Grant to Canadian Legion"?

Mr. HERRIDGE: There is no allowance for inflation here.

Mr. LALONDE: This dates back to 1930, when the Canadian Legion set up its own service bureau in Ottawa and eventually followed with the formation of service bureaux in their provincial commands, and even in some branches. But the activities of all those local service bureaux are coordinated by the dominion command service bureau. When these local service bureaux were formed, the Canadian Legion approached the government and said that this was going to cost a good deal of money to administer. The government agreed to pay a share of the cost of the service bureaux, provided the share paid by the government would never be less than the amount paid by the Legion itself, for the service bureaux alone.

In other words, if the administration of the service bureau were to cost \$15,000 a year, then the contribution would have been brought down to no more than \$7,500. Each year there is an accounting by the Legion of their service bureau costs, and their share of the expenses has never been less than \$9,000. As a matter of fact, it is now costing them a lot more than that.

Mr. WEICHEL: Would \$9,000 be pretty well the donation each year?

Mr. LALONDE: It has been an annual grant.

Mr. WEICHEL: It is an annual grant of \$9,000?

Mr. LALONDE: That is right.

Item 462 agreed to.

The CHAIRMAN: We can revert to item 460, "Payments to the Last Post Fund". The details are on page 562. Are there any questions?

Mr. LALONDE: May I introduce Mr. Bonnar, the assistant secretary.

The CHAIRMAN: Pardon my oversight, Mr. Bonnar; we are getting along here so rapidly. We will proceed with the questioning.

Mr. HERRIDGE: I would like to ask Mr. Bonnar if there have been any complaints from provincial commands or Legion branches during the past year with respect to the administration of the last post fund. I refer to complaints regarding delayed payment or misunderstandings as to eligibility, and that sort of thing.

Mr. R. BONNAR (*Assistant Departmental Secretary*): Not to my knowledge, Mr. Herridge. There have been no complaints from any branches of the Canadian Legion or from the dominion headquarters of the Canadian Legion.

Mr. WEICHEL: Regarding funeral expenses, is that a maximum of \$300?

Mr. BONNAR: The department is permitted under the Veterans Burial Regulations to pay up to \$175 for funeral costs or, if two undertakers are involved, a maximum of \$225.

In addition it can pay whatever is the going rate for cemetery charges, including the purchase of the grave, and the opening and closing of the grave. Under a separate item in this vote the department can, in certain circumstances, provide a grave marker.

Mr. WEBSTER: Possibly I am not correct, but my understanding is that the Last Post Fund of Montreal puts on a campaign of their own every year. Is that over and above this \$306,000 here?

Mr. BONNAR: No. The Last Post Fund is a separate organization operating under a charter.

Mr. WEBSTER: A provincial charter?

Mr. BONNAR: No, a federal charter under the Companies Act for the purpose of avoiding pauper burial of indigent veterans. The department can also pay the burial expenses of veterans who die on treatment strength or who die from disability which is related to service.

Mr. LALONDE: Under their charter the Last Post Fund has authority to conduct drives for donations from the public. As a matter of fact, this is how they originally started and they had more money from public contributions at the outset than they had from the government contribution. But, while they are still getting some public contributions, I think the amount has gone down a great deal.

Mr. WEBSTER: I think it just pays the office expenses and the secretary's salary.

Mr. HERRIDGE: What is this item, "Books of Remembrance" under the fund?

Mr. LALONDE: Perhaps I can explain that. Two years ago the minister announced in the house that books of remembrance for the Korean action and for the South African war would be prepared and would be available to be placed at the appropriate time at the National Memorial. I believe that was mentioned in the house two or three years ago. We have been working on those two books through our contracting artist, Mr. Allan Beddoe, and progress has been good. We anticipate that the books will be ready some time in the fall unless something unforeseen happens. But, very definitely, the books will be completed within a year.

The South African book of remembrance also includes the names of the people who were killed in the Nile expedition.

Mr. MACDONALD (*Kings*): I wonder if we could have a brief explanation of the expenditure under, "Battlefields Memorials"?

Mr. MACE: After World War I there was a battlefield memorial commission formed, and as a result of its recommendation, it was decided to erect battlefield memorials in certain locations where the action had been essentially Canadian in character. As a result there were a number of battlefield memorials erected at different sites in France and Belgium. Subsequent to that the national Canadian memorial was erected at Vimy, and as around 1949 the battlefields memorials commission had virtually worked itself out of existence the Department of National Defence transferred the responsibility for these memorials to the Department of Veterans Affairs.

Since that time we have provided in the estimates for the cost of maintaining the Canadian battlefield memorials in France and Belgium. We actually staff and pay the direct costs relative to the memorials at Vimy and at Beaumont-Hanel which is, as you may recall, the Newfoundland memorial.

The other memorials that are at different places, like Passchendaele, Hill 62, and so on, are maintained for us by the Imperial War Graves Commission and we merely reimburse them their actual costs.

Mr. O'LEARY: Perhaps my question was answered there, as to the decreasing expenses included in the next item, "Maintenance of Departmental Cemeteries".

Mr. MACE: My recollection is that we provided in the 1958-59 estimates for quite a major repair project at Vimy. We had to replace some of the stone and we also waterproofed the memorial. I think this has been completed in this current fiscal year, so that next year we will not require that money.

Mr. HERRIDGE: I am interested, Mr. Chairman, in this item to provide for payments to the Last Post Fund. Then we find an item under that. I understand the Last Post Fund is an entity in itself. The item under that is, Imperial War Graves Commission, \$438,400. Is that money administered to the Last Post Fund? Why does it come under this heading?

The CHAIRMAN: This is the miscellaneous payments heading actually, Mr. Herridge.

Mr. LALONDE: This vote is headed "Last Post Fund" because it happens to be the first item in the miscellaneous items.

Mr. HERRIDGE: I am sorry; I have not got my estimates.

The CHAIRMAN: That is Last Post Fund, et cetera.

Mr. LALONDE: The payment to the Imperial War Graves Commission is Canada's share towards the maintenance of war cemeteries. Each commonwealth country contributes on a pro rata basis to the Imperial War Graves Commission for the cost of erecting the various memorials in the cemeteries and for maintaining them, and this amount of \$438,000 is our share for next year.

The CHAIRMAN: Is there any further discussion under miscellaneous payments?

Mr. ROGERS: This is not miscellaneous payments; it is funeral fund. If a veteran dies in hospital, do they take all his assets and his money?

Mr. BONNAR: No. We have several sections of the Veterans Burial Regulations. First of all, we pay the funeral expenses without charge or claim on the estate if the veteran's death is considered to have been related to service.

Secondly, we pay the expenses without claim on the estate if he was receiving treatment for a pensionable disability.

In addition we have another group who are in hospital, not receiving treatment for pensionable disabilities, and we apply a means test in those cases. If the estate is sufficient to provide the funeral and burial expenses, we expect the estate will do so. But if the estate is insufficient, then the department pays the expenses.

Mr. ROGERS: I have had a few complaints on that situation, where the department was pretty mercenary. I had one case where the man had an old car and \$50, and they took it all. He was a pensioner.

Mr. LALONDE: If a man has no dependants and the department does not use the estate for the payment of his funeral or last illness, the public custodian is going to get it.

Mr. HERRIDGE: It would be better for the department to get it, I think.

Mr. LALONDE: That is what we think, sir.

Mr. KENNEDY: I have run across at least one case where, due to the neglect of the next of kin in making a claim for burial within a certain length of time, the undertaker was not paid his charges and had no way of collecting them. At least, that was the understanding I got from him.

Mr. BONNAR: This would be a case where somebody other than the department arranged the funeral and burial?

Mr. KENNEDY: Yes.

Mr. MONTGOMERY: Where they die at home.

Mr. BONNAR: Where somebody other than the department arranged the funeral and burial there is a system for making application to the department for payment of the funeral expenses.

Mr. MACEWAN: Within 60 days.

Mr. BONNAR: Within 60 days of notice.

Mr. ROGERS: Just to pursue that particular case, the man owed \$50 rent. His relatives had to pay that.

Mr. MACE: You said this gentleman was a pensioner, did you?

Mr. ROGERS: Yes.

Mr. MACE: Did he die on treatment strength?

Mr. ROGERS: I could not say. I do not think so.

Mr. LALONDE: If he died of his pensionable disability, whether he died on treatment strength or not—

Mr. MUTCH: I know better than to attempt to answer without the file in front of me; but if I understand your question, the deceased was a pensioner?

Mr. ROGERS: That is right.

Mr. MUTCH: And he owed money?

Mr. ROGERS: Well, he owed some rent.

Mr. MUTCH: Pensions are paid in arrears, so if he died after the first of the month there was something coming. At the present time, if he dies and leaves dependants the whole of the pension for the month in which he dies is payable. If he has no dependants, it is payable up to the date of death and the commission would be called upon to make a decision as to what should be done with the unpaid portion of that last month's pension, and I think it would be unusual if any creditor under those circumstances did not register the claim before those funds were disposed of. The commission, acting on behalf of the deceased, does for him that which he was obligated to do in his lifetime. If there was sufficient money they would pay that debt from the unpaid balance; and if there was not, they would apply it to go as far as they could toward discharging that debt.

That happens in every case. A decision of that nature has to be taken in every case where a pensioner dies. If he had dependants, then under the commission's policy the unpaid balance would go either to somebody upon whom he was dependent or someone who was dependent upon him. The first charge against it would be to those dependants. But very often we pay the unpaid portion of the last month's pension, or any other credit that is available with us, to discharge his personal debts.

Mr. ROGERS: He has no dependants. The only mistake he made was that he did not think he was going to die. He should have left the money, the \$50 or \$60 at home.

Mr. BONNAR: Did he have funeral debts as well?

Mr. ROGERS: The department buried him. They looked after him.

Mr. KENNEDY: To pursue, Mr. Chairman, what I mentioned previously, where it can be reasonably shown that the responsibility was not really the undertaker's, but neglect on the part of the next-of-kin to make application for this, is there no way it could be extended so the undertaker would not have to bear the cost of this funeral?

Mr. BONNAR: I have not known of any such case, sir. We would be glad to examine any cases, if you would identify them. Have you one in mind?

Mr. KENNEDY: I have not at the moment, but certainly I can dig one up.

Mr. LALONDE: Before we leave that impression on the record, I would appreciate it if you could give me the name of the case to which you are referring in order that we may look into it. It is hard to generalize on the basis of one case.

Mr. ROGERS: I was asking just for general information and I have obtained it. I happened to use that case because it is one I know of and it happened about three months ago.

Mr. LALONDE: I am pretty certain that the solicitors who deal with the assets in all cases ascertain first whether there are just debts incurred prior to admission to hospital, for instance, and that is why I would like to find out what happened in that particular case.

Item agreed to.

The CHAIRMAN: That brings us up to the Canadian Pension Commission, gentlemen, and perhaps it would be your wish to delay commencement of discussion on this subject until our next sitting. It is one of the major branches in the department.

Agreed.

The CHAIRMAN: Gentlemen, our procedure for Monday, as arranged by the steering committee, is to hear further representations. We have a request from the Sir Arthur Pearson association of war blinded, and the Firefighters. The Firefighters have not confirmed their appointment. I had hoped to receive it before our meeting this morning; but they have requested an appearance, and I presume they will be before us on Monday morning at 11 o'clock. Is that agreed?

Agreed.

The CHAIRMAN: Next Thursday at 11 o'clock we will resume the discussion of the estimates, with the pension commission before us.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

Estimates 1959-60 of the Department of Veterans Affairs

MONDAY, MARCH 16, 1959

WITNESSES:

Mr. W. C. Dies, Captain Fred Woodcock, Judge Frank McDonagh, of the Sir Arthur Pearson Association of War Blinded; Mr. Mace, Mr. Black, Mr. Garneau, Dr. Crawford, Department of Veterans Affairs; Mr. Mutch, Canadian Pension Commission.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

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MacEwan

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Peters

Pugh

Roberge

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Rogers

Speakman

Stearns

Stewart

Thomas

Webster

Weichel

Winkler

Antoine Chassé,

Clerk of the Committee.

MINUTES OF PROCEEDINGS

House of Commons, Room 112-N.

MONDAY, March 16th, 1959.

The Standing Committee on Veterans Affairs met at 11:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Badanai, Beech, Broome, Carter, Clancy, Dinsdale, Fane, Herridge, Jung, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, MacRae, Matthews, McIntosh, McWilliam, Montgomery, O'Leary, Ormiston, Parizeau, Pugh, Robinson, Speakman, Stearns, Stewart, Thomas.

In attendance: From the Department of Veterans Affairs: Mr. F. T. Mace, Assistant Deputy Minister; L. A. Mutch, Acting Chairman, Canadian Pension Commission, with Mr. K. M. Macdonald, Secretary; Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board; Dr. John N. Crawford, Director-General, Treatment Services; Mr. G. H. Parliament, Director General, Veterans Welfare Services; Mr. C. F. Black, Secretary of the Department; Mr. J. G. Bowland, Research Adviser; Mr. G. S. Way, Chief of Information.

From the Sir Arthur Pearson Association of War Blinded: Mr. W. C. Dies, President; Johnny Doucet, First Vice-President; Captain Fred Woodcock, Secretary; Mr. William Mane, Immediate Past President; Mr. Dave Ferguson, Treasurer; Mr. Chris Davino, Member of Executive; Mr. George Wilson, Hamilton, Ontario; Mr. Steve Johnson, representative of the Province of Quebec; Mr. Gerry Barrett, Ottawa, and Judge Frank McDonagh, Honorary Member.

The Chairman informed the Committee that the Corps of Canadian (Overseas) Fire Fighters had informed him that it was impossible for them to appear today and requested that a later date be set for their presentation.

At the Chairman's invitation, Mr. W. C. Dies, President, of the Sir Arthur Pearson Association of War Blinded, introduced the delegation.

Judge Frank McDonagh read the brief on behalf of the delegation and Mr. Dies added a few words.

Questions were asked in relation to the brief from Judge McDonagh, Mr. Dies and Mr. Woodcock.

Members of the Committee also questioned Mr. Mace, Mr. Mutch, Mr. Black, Mr. Garneau and Dr. Crawford on various aspects of the brief.

At the conclusion of the presentation the Chairman thanked Mr. Dies and his associates for their valuable contribution. In turn, Mr. Dies thanked the Committee for its consideration.

At 1:25 o'clock p.m. the Committee adjourned to the call of the Chair.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

MONDAY, March 16, 1959.
11 a.m.

The CHAIRMAN: Gentlemen, we have a quorum. There are one or two preliminary matters that must be attended to before we commence the formal business this morning.

Mr. Leslie MUTCH (*Acting Chairman of the Canadian Pension Commission*): At page 64 of committee report No. 3, Thursday, March 5, 1959, in line 26, I am quoted as saying:

connected with his war service as such.

This should read:

connected with his regular force service as such.

The CHAIRMAN: Mr. Stearns, have you a correction?

Mr. STEARNS: Yes, in the third line on page 117 in the proceedings of March 9, I am quoted as saying:

Whereas the air force went there because they were sent there.
It should read:

Whereas the armed forces went there because they were sent there.

The CHAIRMAN: We have a very distinguished group visiting us this morning. I believe I announced at our last sitting that we expected to have two presentations this morning, one from the firefighters, as well as one from the Sir Arthur Pearson Association of War Blind.

I have received a telegram from Mr. Magill, the secretary-treasurer of the Canadian Corps of Firefighters to the effect they are unable to be here this morning, and are requesting an appearance at a later date. We will have to consider this matter in the steering committee.

We do have with us this morning a good delegation from the Sir Arthur Pearson Association of War Blind. They are headed by their president, Mr. Dies. Although I am acquainted with some of the members in this delegation, I think it would be better, Mr. Dies, if you proceeded with the introductions.

I would also like to say that I received a telephone call from the minister, the Hon. Alfred Brooks, just before coming to this meeting. He had hoped to be here, but other duties namely, a cabinet meeting, called him away. He expressed his regrets for not being able to be with us this morning.

We are very sorry that Colonel Eddie Baker is not with us this morning. Perhaps, Mr. Dies, you could convey our greetings to him and give us a report on the progress he is making.

It now gives me great pleasure, Mr. Dies, to call upon you to give your presentation.

Mr. W. C. DIES (*President, Sir Arthur Pearson Association of War Blind*): Mr. Chairman and gentlemen, it is with some regret we appear before you today without our friend, Colonel "Eddie" Baker, whom I am sure most of you know. He has had a rather bad time of it since last July. However, he is improving and attending the office about fifty per cent of the time. We tried to inveigle him into coming down with us today, but he could not do so. Mr. Chairman, I will convey your kind wishes to him.

I am sorry the minister was not able to be with us today, but he will likely hear all about our visit.

Gentlemen, we have a full delegation here this morning. I hope my memory serves me well, as I do not wish to spoil our presentation. First, we have our immediate past president, "Bill" Main. "Bill" came from Manitoba, but we do not hold that against him.

The CHAIRMAN: I would say that is to his advantage.

Mr. DIES: He was a Hong Konger. And then we have John Doucet; he is maritimer and our first vice president. We then have our secretary, Captain Fred Woodcock, who comes from Hamilton. "Dave" Ferguson, who is really a maritimer and came up this way, is our treasurer. He is located in Hamilton at the present time. "Chris" Davino, a member of our executive, informed me just before we came in this morning that he enlisted at Collins Bay. Then we have George Wilson, who is also from Hamilton. There is also "Jerry" Barrett from Ottawa; and another chap, Steve Johnson from Montreal. Finally, of course, we have His Honour Judge "Frank" McDonagh, who is one of our honorary members. "Frank" is going to read the brief for us today.

Judge "Frank" McDONAGH: Mr. Chairman and gentlemen: may we take this opportunity to express our appreciation for amendments to the Pension Act which have benefited Canada's war disabled and their dependents, and trust that this presentation will produce a greater understanding of the problems of this group, and in particular the problems of those who gave their sight at a time when their country was in urgent need of their services.

As a group we feel that so many phases of legislation are interrelated in their total effect on the lives of the war blinded and their dependents, and would ask this fact be kept in mind when considering our submission.

At the annual meeting of The Sir Arthur Pearson Association of War Blinded held February 14, 1959, the members assembled were most emphatic in the expressed opinion that blindness has been vastly underrated as a disability, a fact which was partly due to the blind veterans themselves, in that the abilities and accomplishments of the war blinded had to be over-emphasized in order to retain their former sighted positions in a social structure based entirely on the ability to see.

We respectfully reserve the privilege of eliciting the further support of the national council of veteran associations in Canada, which in itself embodies the major disability groups, and through the national council again, if need be, present the resolutions contained in this brief. These resolutions directly affect the war blinded, and the serious implications involved prompted our request for a separate hearing.

Dual Pension for Widow of Totally Disabled Pensioner

This resolution was actually conceived during visits to widows in their homes following the death of young totally blind veterans of World War II and is an attempt to accurately portray and remedy the urgent desperation of such conditions.

We are most grateful that since first submitting this resolution the Pension Act was amended to at least continue the full amount of pension until the end of the month in which the pensioner dies but it does not in any way benefit the widow whose husband dies at the end of the month.

In the case of a totally blind married veteran, the income of \$300 per month is, the day following an end-of-the-month death of the veteran husband, suddenly reduced to \$115. In other words, a sudden decrease in income of \$2,220 per year.

The widow, during a crucial and emotional upset period, finds herself suddenly thrust into a financial crisis, which seems to have no solution and is at once compelled to make financial decisions detrimental, even disastrous to her interests, committed as she is to purchase of a home or rental contract, purchase of commodities and necessities, with no opportunity to create a bank account and often, through the nature of the disability or multiple disabilities in excess of 100 per cent, the pensioner was unable to provide protection through life insurance. These items, plus excessive funeral costs, create a situation of destitution at a period when she needs financial assistance and time to render logical decisions pertaining to her complete adjustment and rehabilitation economically and otherwise. The desperate situation is intensified when young dependent children are involved.

Whereas the survivor of a married couple on war veterans allowance with \$2000 in the bank, may own a home in which their equity is \$8000, experiences no disruption of their established economy for a period of one year, because the War Veterans Allowance Act provides full payment of the allowance for one year following the death of either party.

Therefore we, the Sir Arthur Pearson Association of War Blinded, in annual assembly convened, petition the government through the Minister of Veterans Affairs, to enact legislation entitling the widow of a 100 per cent pensioner to the full dual pension for a period of one year, following the death of her husband.

Continuance of Wife's Allowance

Closely allied with the resolution above is the urgent need to continue the wife's allowance in some form, following the death of the wife of a blind pensioner.

Create in your mind the picture of the blinded serviceman of either World Wars I or II, who, returning home takes unto himself a wife and begins that never-ending struggle of a sightless life or existence in a sighted world. Picture the thousands upon thousands of tasks dependent upon sight which the wife must perform for her blind husband. To mention a few, these aids through sight range from the choosing of clothing as to colour, the inspection of clothing and dwelling, to ensure cleanliness and comfort, the countless hours of oral reading from newspapers, magazines and books, the verbal descriptions of countless physical objects, all of which are necessary for the blinded veteran to assume an active, interested and useful position in society. Picture then, the complete, the total and absolute dependence of the blind veteran upon the eyes of his wife, the eyes which have become his visual contact with the whole world.

Think now of the blind veteran who, by the death of his wife, suffers not only a great emotional loss, but also must suffer for the second time in his life, the lost of sight, which although not his own, had become indeed his principal substitute.

Think now of this blind veteran's future. Shall he give up this home which his wife and he had so well established, and go to live in an institution for the aged or the blind? This is a poor substitute for the home which had been created in spite of the handicap of blindness. Shall he give up the home and live with a daughter or a son—if they will have him? Shall he, at great expense, secure the services of a housekeeper and endeavour to maintain the home for his remaining years with greater expense than before (possibly \$150 a month) on an income reduced by the amount of his deceased wife's allowance?

Whereas the war blinded recognized the absolute necessity of sighted assistance at all times, and that the need for sighted assistance does not cease

to exist upon the death of a blind veteran's wife, and that the cost of procuring hired sighted assistance, such as a housekeeper, is far in excess of the allowance provided for the wife of a totally disabled veteran; the members of the Sir Arthur Pearson Association of War Blinded in national assembly convened, do petition the government of Canada, through the Minister of Veterans Affairs, to enact such changes in the Pension Act to provide the continuance of payment to the blinded pensioner after the death of his wife, the allowance known as the wife's allowance, which he received prior to the death of his wife, for the rest of his natural life.

Free Hospitalization for Non-Entitlement Conditions

While admitting that the new treatment regulations, which came into force July 1, 1954, are a step in the right direction and of greater benefit to our unemployed members it does not meet the need of the major disability group.

We, the war blinded, by actual experiences, know that it is impossible to prove disabilities and conditions consequential to our pensionable disabilities. As a major disability group we and our family doctors know there is direct connection between our pensionable disability and many other conditions that crop up from time to time, but there is no provision within the treatment regulations to provide us with free hospitalization and treatment for these conditions. For example, there are injuries incurred by falls due to lack of sight, nerve conditions pursuant to frustration and intense nervous strain to which the blind are subjected every waking hour of every day, and on too many occasions, the hours of the night as well. There is no day for the totally blind! The larger number of our group have service-connected multiple disabilities, some of which have no treatment entitlement because of lack of legal proof—the onus of proof being placed on the veteran while the records, if any, are held by the government.

The present treatment regulations are complicated and not known to all treatment staff, resulting in delay and in some instances, denial of treatment for a pensionable condition. On numerous occasions our war blinded have experienced lengthy sojourns in admitting offices, while a multiple number of seemingly irrelevant questions are asked, in order to determine entitlement to treatment. The new treatment regulations do not eliminate these conditions.

We, the Sir Arthur Pearson Association of War Blinded, in assembly at annual meeting, strongly recommend that in keeping with the understanding of the Canadian public, we the blind pensioners be given free hospitalization and treatment in Department of Veterans Affairs hospitals for all conditions, as a matter of right.

War Veterans Allowance

Recommendation No. 10—that item 4 under schedule A and item 4 under schedule B of the War Veterans Allowance Act be amended to read: "Blind war veterans allowance recipient, or married veteran with a blind spouse."

This resolution seeks to compensate the acknowledged added cost with respect to blindness, for blind war veterans allowance recipient, on the same basis as war veterans allowance recipient with blind spouse.

Helplessness Allowance

Once again referring to the preamble wherein it states we feel the disability of blindness has been underrated. No spoken or written words of ours could instil in the mind of a sighted person the full appreciation of the absolute need

of the totally blind to use someone else's eyes during almost all phases of everyday activities—a service which is a very costly one to the blind, especially when the sighted service is hired in order to accomplish what a sighted person accomplishes without need to hire.

In the earlier years an award of helplessness allowance was provided for the war blinded by the government of Canada and subsequently the war blinded agreed that those veterans who were on war veterans allowance, and had suffered blindness not in any way connected with war service, should receive consideration in the form of a modified helplessness allowance, which was granted.

Whereas more recently, without consultation with the war blinded, those on war veterans allowance whose blindness is not due to service, have been granted the same rate of helplessness allowance as those whose loss of sight was due to wounds on service. The war blinded, while not wishing to deprive the non-war blinded of the fruits of the generous impulse which has changed the policy, feel very strongly that the new modified rate accorded to war veterans allowance cases, definitely raises the question of an adjustment in the rates applicable to the war blinded.

Whereas this new policy completely eradicates the fundamental principle of a differential between blindness incurred on service and subject to compensation, and blindness not in any way related to service.

Therefore be it resolved that we, the members of the Sir Arthur Pearson Association of War Blinded request that the rate of helplessness allowance in respect to blindness for the war blinded, be increased from \$1200 to \$1800 per annum, being fully justified on the ground of present day excessive costs.

Mr. Chairman and gentlemen, you might be interested in these figures: There are 384 Canadian war blinded veterans in Canada and other countries—149 World War I and 235 World War II—only 178 of whom receive the maximum helplessness allowance for blindness. There are 190 considered employable war blinded—182 employed or augmenting pension, of whom 58 are employed by the Canadian National Institute for the Blind.

Basic Rate of Pension

We will be submitting our recommendation for a substantial increase in the basic rate of war disability compensation that is pension, through the national council of veteran associations in Canada. We would point out that since 1925 the percentage increase in the basic rate is only 100 per cent whereas the percentage rate of increase in regard to war veterans allowance for a lesser period of time shows a percentage increase of 350 per cent.

Conclusion

In conclusion we express our appreciation for the opportunity to present the views of the Sir Arthur Pearson Association of War Blinded on matters pertinent to their welfare and trust the government is able, through the standing committee's recommendation, to grant by legislation the requests we have made.

The CHAIRMAN: Thank you, Mr. McDonagh for that presentation. To ensure orderly discussion I think it would be best if we considered the presentation topic by topic. I understand that Mr. Dies wishes to supplement the presentation.

Mr. DIES: Thank you, sir. I rise because, as you look at me and look at the rest of the members gathered together with us, I am the senior member. Any help that you can offer me now, I can assure you it is just about too late. I say that very kindly and very sincerely and very honestly, because I happen

to be one of those, who for 42 years has gone around in the dark amidst frustration after frustration, and it was only because of pre-war, post-war friends and associations and a great deal of intestinal fortitude—with a big “G”—that I have survived to this date.

I just lay this before you because blindness has been held—I was going to say “cheap”. That is not the word, but you know what I mean. I do not want these young fellows to struggle along the way some of us have had to struggle along, and I think it is only fair, as we come before you, that you should think in terms of these young lads. They know not where they go—I can assure you of that.

Just remember also that the cheque that the government mails each month to these ex-servicemen who are blind, that is the basis of their todays and that is the basis of their tomorrows. You can never give them enough money, be sure of that. Be sure also—and I have said this before during this committee—that as far as I am personally concerned money could not pay me for what I lost. I want you to understand that, gentlemen. There is not enough money in the country. But I do think the time has arrived when you should put your best foot forward and do your utmost to make this group of blinded ex-servicemen, who are blind because they were healthy—I am quite sure I would not have been where I was on February 13, 1917, at Vimy, in the middle of the night, had I not been a 100-per cent-fit man. Just remember that when you are dealing this out. Do not think of them as blinded ex-servicemen; make them a preferred class. I am appealing to you, gentlemen, as a man who has lived in Canada all his life, coming from stock away back. I started out in life early and I know what I am talking about, because I had my eyesight until I was established in business prior to enlistment. I just send that appeal out to you, gentlemen, and ask you to think it over before you act one way or the other. Make them a preferred class if you possibly can.

The CHAIRMAN: Thank you, Mr. Dies. Perhaps I should ask if there are any other general comments before we proceed to deal with the topics in the brief? If not, the first subject raised in the brief is that of dual pension for widow of totally disabled pensioner, found on page 2. Have we any questions?

Mr. HERRIDGE: Mr. Chairman, I would like to ask the witness a question. I presume this brief is founded on representations you have had from individuals or your knowledge of these conditions affecting the widows of war blinded in various sections of Canada.

Mr. McDONAGH: I think Captain Woodcock is in a better position to answer that question because he has experience of visits to widows after the death of war blinded veterans. That is the particular work that Captain Woodcock undertakes.

Captain F. J. L. WOODCOCK (*Secretary, the Sir Arthur Pearson Association of War Blinded*): If you wish, gentlemen, I can give you regimental numbers and names; but I would prefer not to do so—I would prefer not to embarrass the widow. But I can take you to the individual, right in Brantford.

The CHAIRMAN: As far as possible it is not necessary to mention specific cases.

Mr. HERRIDGE: Mr. Chairman, I have one other question. On occasions do you have the circumstances of widows brought to your attention by other persons, neighbours or persons to whom they are indebted, and they now find themselves in difficulties?

Mr. McDONAGH: May I ask Captain Woodcock to answer that question?

Mr. WOODCOCK: Mr. Chairman, we do not hear them too often. I think the attitude of our widows has been much the same in the past as if they were blinded themselves—to try to make the best of things and accept their lot. All

too often we do not hear these things until it is too late,—to late to help them, in other words.

We, in the CNIB do help widows in many ways. But in this case we are singling out the widow of a war-blinded veteran, who is used to a certain income and whose whole economy is based on—as our president said—a cheque that arrives every month. It is a cheque on which we build our present and our future.

Mr. BEECH: Mr. Chairman, is there any special reason for mentioning the fact that the widow, under the war veterans allowances, is allowed to have an equity of \$8,000 in their property? I wonder if there is any special reason for including that in the “whereas” there?

Mr. WOODCOCK: I would say, definitely there is. I think in our preamble we asked that you consider the whole picture. I do not think we can single out any one item. I think free hospitalization, the continuance of the wife's allowance to the widower, the continuance of the pension to our widows is all part and parcel of the picture, as we see it.

Also, we get the impression—and perhaps it is an onerous type of subject to discuss—of an interrelationship between war veterans allowances and the Canadian Pension Commission. Perhaps I personally am mistaken, but we always tend to avoid it because it would look as though we were envious, and I can assure you we are not.

We definitely respect blindness when it happens to anyone but we do see legislation carried out on one hand to alleviate distress and, we presume, to alleviate the necessity of a sudden decrease in income, when the widow needs that income most; and surely to goodness, if it can be done for the one on one hand, it can be done for the battle casualty, the front-line fighter, on the other. By “front-line fighter” I mean the man who got his disability in the front line. That is the only inference between these two.

Mr. McDONAGH: There was one other point in the discussion in preparation of the brief, dealing particularly with blinded veterans of the second war, which is only some 14 years away. They have not yet been told to establish an equity of \$8,000 in the house.

Mr. MONTGOMERY: Mr. Chairman, may I proceed just a little further in that regard? You are speaking, I suppose, of an average?

Mr. McDONAGH: Of course. There are exceptions.

Mr. MONTGOMERY: Because I know of several who have.

Mr. McDONAGH: There is no doubt that quite a number of veterans of the second world war have been able to fully establish themselves.

Mr. MONTGOMERY: Yes.

Mr. McDONAGH: But how many of them are totally blind?

Mr. MONTGOMERY: That is what I was going to follow here. Does this number of three hundred something here include those? They are on full pension and disability rights, as I understand it, but they are not totally blind. Does that include this number?

Mr. McDONAGH: Are you referring to page 10?

Mr. MONTGOMERY: Yes.

Mr. WOODCOCK: May I answer that question, Mr. Chairman? The 380 some odd for blinded veterans in this instance means those individuals with regard to whom the government accepts some responsibility for their blindness, in whole or in part.

In other words, we have a number in that 384 who are perhaps one-fifth aggravation cases only; the government has decided that their blindness

was aggravated on service. The condition was possibly present before the war, but aggravated on service one-fifth. Those people only receive one-fifth pension. They receive, possibly, the maximum helplessness allowance for blindness. It that a clear picture, gentlemen?

Mr. MONTGOMERY: Yes.

Mr. WOODCOCK: I think you must look at the figure of 190 some odd, I think it is, there who are receiving the maximum for blindness, and even that figure includes some of the one-fifth aggravation cases.

Mr. McINTOSH: Mr. Chairman, may I ask one of the officials why the allowance continues for one year after the death, in the case of a war veterans allowances recipient, and not in a blind persons case? Is there some reason for that?

Mr. McDONAGH: It is in the act, sir.

The CHAIRMAN: Perhaps Mr. Mace could answer that.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): Mr. Chairman, the only answer I can give is that it is provided in the War Veterans Allowances Act, and there is no such provision in the Pension Act.

Mr. McINTOSH: You mean, a delegation at some time appeared before the committee and asked for this and it was granted by parliament in the case of war veterans allowances recipients? Was there any reasoning behind it, any more than we are getting today from this delegation? Is there any reason why it should have been accepted from that delegation and not from this?

Mr. MACE: It is a question of policy.

Mr. McINTOSH: I was wondering if you could remember anything that was brought up at that time?

Mr. MACE: Quite frankly, I am not aware of any particular set of circumstances which makes it appropriate in one case and not in the other. Frankly, I do not know.

Mr. McINTOSH: Thank you.

Mr. MACE: It is really based, as I say, on the existing legislation.

Mr. HERRIDGE: Those making representations on behalf of war widows in receipt of war veterans allowances appeared before the committee some years ago. The argument placed before the committee for the continuation of the allowances for the period of a year was identical with the argument being placed before us today. That is, the need of a widow for assistance during the period of adjustment.

Mr. McINTOSH: You say this is a case, then, of discrimination?

Mr. HERRIDGE: As to what was required, yes.

Mr. BROOME: In regard to the difficulties of blindness we are talking about 100 per cent blind categories?

The CHAIRMAN: I think Captain Woodcock explained that a moment ago.

Mr. BROOME: Captain Woodcock, a figure of 384 is mentioned here. Those pensioners are totally blind are they?

Mr. WOODCOCK: No. You have to go to the figure of 190 and whatever the odd amount is there, who are receiving the maximum help and allowances.

Mr. BROOME: It is 178.

Mr. WOODCOCK: In other words, 178 were receiving the maximum possible for blindness. I did not bring any figures to indicate how many of our blind between that figure and registration—which is seeing at 20 feet what a man

should see at 200 feet. Between that and total blindness there are a few awards, as of this last year or so, around \$480, the odd man getting \$960.

I might say that it took us about seven or eight years to get recognition of the various degrees of blindness. Prior to that you either coupled into the helplessness allowances class or you stayed entirely on the outside and you received nothing whatever. Our membership feels very strongly on this subject, that blindness creates a need for assistance. It is an entirely different disability to any other with which you have to deal, and I do not care if it is just a border line case. There are many times when even that individual has to use someone else's eyes and has to put up with a misunderstanding of the sighted world around him.

If you do not believe me, travel with one of our placement men and try and get a man in that category a job and see how many industries will not accept him. We are just as much in sympathy with that chap as we are with the others we are emphasizing today, the totally blind. But we admit that there is no comparison between some sight and total blindness, and no one can understand what it is to be totally blind. We do not hope that you will understand; you never will.

No, gentlemen; do not think in terms of this figure of 385 describing the entire group from the border line registrations right through to the totally blind.

The CHAIRMAN: I believe Mr. Mace has some further information on this subject. For the benefit of our visitors, I should perhaps explain that Mr. Mace is the assistant deputy minister of the department.

Mr. MACE: Mr. Chairman, I thought I might just clarify the thinking of some of the members of the committee if I placed on record the basis upon which the department has dealing with the Canadian National Institute for the Blind.

Under order in council P.C. 131/4861, dated September 14, 1951, as amended, the department is granted authority to enter into agreements with the Canadian National Institute for the Blind whereby the institute provides training and after-care services to veterans who have a disability of 80 per cent or over, due to defective vision, some part of which is pensionable. Such blind veterans must have been resident or domiciled in Canada at time of enlistment.

The CHAIRMAN: Have we some more question?

Mr. THOMAS: Mr. Chairman, could the officials tell us how many totally blind there are in this figure of 384?

Mr. BROOME: There are 178.

Mr. THOMAS: They are receiving the maximum helplessness allowances?

Mr. DIES: No, not to the maximum.

Mr. THOMAS: That is right; they are the ones who are totally blind.

The CHAIRMAN: I believe that is right. The 178 referred to in the brief represent the totally blind group.

Mr. McDONAGH: It may be that Captain Woodcock did not hear the question. Apart from his blindness, which occurred at Dieppe, he has also lost the hearing in one ear altogether and 25 per cent of the hearing in the other ear, so he may not have heard your question.

The CHAIRMAN: Would you like that question repeated?

Mr. WOODCOCK: Perhaps I should put it in figures, and you may understand it a little better. There are 178 now receiving \$1,200 for their blindness, which is at present considered the maximum for blindness.

The CHAIRMAN: That is helplessness allowances?

Mr. Woodcock: That is helplessness allowances, so-called by the Canadian Pension Commission. It is "attendance addition" in the act. There are in addition those who are not receiving \$1,200 for blindness. They are receiving the maximum permissible allowance under the attendance allowances of \$1,800, but they are chaps whose blindness was caused possibly by a pensionable condition and their sight is not down to the totally blind category. For instance, multiple sclerosis can and does create in its advanced stages lack of the ability to focus the eyes, and other eye disabilities. We get them on our registry when they reach that stage, when the ophthalmologist decides that their vision is less than 20/20.

Mr. Mutch: Mr. Chairman, I would just like to reassure Captain Woodcock that the pension commission does not now refer to these allowances as "helplessness allowances", but always refers to them as "attendance allowances". There was a time when that expression was used, but I have not seen it recently except in the brief read this morning. In the commission we now refer to it exclusively as "attendance allowance".

Mr. McDONAGH: Did you amend the table of disabilities?

Mr. Mutch: Whether it has been taken out of the language of the table of disabilities, I cannot say. But in the commission's decisions I do know it is no longer referred to as "helplessness allowances".

Mr. McINTOSH: Referring back to my original question, Mr. Chairman. The Captain has mentioned the sum of \$1,200. I presume what the delegation is asking for here in the case of the maximum is \$300 continuance for one year, whereas in the war veterans allowances the maximum is \$120. Is that correct? Or is that wrong?

Mr. DIES: That is correct. I should like to clear a point here. Someone asked the question about the number who are getting attendance allowances. I should make it clear. I happen to be a multiple disability case. I would not have you think that all of those with multiple disabilities get \$1,800. It is only in the cases referred to by Captain Woodcock, where they are more or less bedfast.

My disability is something that has been variously estimated as being from 250 to 300 per cent; but I do not get \$1,800. The multiple disability cases do not get that, let alone those who are totally blind only.

Mr. McINTOSH: Mr. Chairman, I do not think I received a complete answer to my question. Does this delegation wish the total pension that the recipient gets to continue for one year regardless of why it is awarded, or on what basis? Captain Woodcock mentioned \$1,200 for a certain disability, plus others, that builds the pension up to a maximum of \$300. Is that correct?

Mr. Woodcock: I caught half of your question, sir. I must apologize.

Mr. McINTOSH: You mentioned \$1,200 which you are receiving for part of your disability; is that correct?

Mr. Woodcock: That is the attendance allowances.

Mr. McINTOSH: Is that the allowance you want to continue, or is it the total amount?

Mr. Woodcock: We want the total pension and wife's allowances. You can be generous and grant us both. I would be perfectly willing for the parliamentary committee to continue paying the attendance allowances to our widows of \$100 per month, in addition to the \$150 a month pension, in addition to the wife's allowance of \$50. That would give her \$250 a month in my language. But I think, gentlemen, our request is asking for the continuance of the pension and her allowance—in other words, \$150 as it is presently constituted, plus her own allowance of \$50. In other words, she would continue with \$200. There would be a loss of income of \$100 a month.

Mr. MCINTOSH: That is the point I wanted to clear up.

Mr. BADANAI: Mr. Chairman, I should like to ask Captain Woodcock about the 178 who receive the full pension of \$1,200 a year. Are they in receipt of any other income through their own efforts or from any other sources?

Mr. WOODCOCK: I am sorry but I have not got a breakdown of how many of that group are actually in the employed group.

Mr. BADANAI: Are there any?

Mr. WOODCOCK: Yes, there would be some, and we used the term "augmented income" in our brief. A totally blind man, with one arm, two shrapnel wounds in the left leg, runs a dance in the maritimes once or twice a week. Probably he makes from \$10 to \$20 but I do not know. That effort is augmenting his income.

Mr. PUGH: Is there any supplement for children over and above these figures that are quoted, and if so how much per child. Perhaps we could get that from the department.

Mr. MUTCH: The children of all pensioners are pensioned in accordance with the degree of disability which was accorded the veteran holding the pension. A maximum 100 per cent payment is \$150 for the man, \$50 for his wife, \$20 for one child, \$15 for a second child, and \$12 for any more children.

When the pensioner dies, that amount is augmented immediately. Even though the mother is still living; that amount becomes doubled for each child.

Mr. HERRIDGE: Could Mr. Mutch inform the committee what was the average number of 100 per cent blinded pensioners who died, annually—or could we get some estimate of the cost in giving effect to this recommendation?

Mr. MUTCH: I am sorry, I do not have that information, but I could perhaps get it for you.

Mr. WOODCOCK: I do not know the actual figures. But the file of every veteran who becomes blind in Canada crosses my desk and is reviewed to see if he can get help under the present veterans legislation.

It might be of interest to this committee to realize that in the last year no less than six or seven have gone on our registry with a pension, whose blindness was a result of mustard gas in World War I. That is a startling statement to make, but it is true. However, as to your figures, I am sorry.

Mr. MUTCH: I can get them if the committee wants them, but I do not have them with me.

Mr. HERRIDGE: Thank you. I think they would be of interest.

Mr. MUTCH: I will be glad to bring them for the next meeting.

Mr. STEARNS: In connection with your page three, suppose a person had an income of \$300 a month, and suppose it should continue for a year after the death of the husband, would that open up in the veterans department other categories who might ask for similar treatment they are not receiving today?

Mr. MUTCH: Undoubtedly. Whenever you make a concession—and this is not an argument against it; there is evidence in this brief itself—that when a further concession is made to one group, then inevitably others will seek it. That is not a matter of administration; it is a matter of human nature.

Mr. STEARNS: Turning to page four, the first paragraph, does the War Veterans Allowance Act provide full payment of allowance for one year following the death of either party? I wonder why this \$300 a month should be cut off on one day's notice instead of its being applied for one year after the death of the blinded person.

Mr. MUTCH: Part of the reduction is due to the fact that the attendance allowance ceases on death; the widow goes on pension the day following death.

Mr. STEARNS: Thank you.

The CHAIRMAN: Is there anything further?

Mr. CLANCY: I wonder if Mr. Mutch could tell us what the widows allowance is. You said that the widow goes on the widows allowance.

Mr. MUTCH: I should have said the widows pension.

Mr. CLANCY: And what is it?

Mr. MUTCH: \$115 a month.

Mr. CLANCY: All these people are asking is that she get \$85 a month for one year.

Mr. MUTCH: Yes. I understand that all they are asking is that the disability pension shall, on the death of the pensioner be continued, in this instance, for one year.

Mr. CLANCY: The actual difference to the treasury would be \$85 a month.

Mr. MUTCH: That is right.

Mr. ORMISTON: On page three it speaks of excessive funeral costs. Is it not just as likely that these things would apply equally to a veteran suffering from any disability as it would to the veteran who was totally blinded?

Mr. McDONAGH: The brief is simply trying to put before you in plain terms what happens when the veteran or the veteran's wife is faced with these facts. The wife may not be in a position to pay for an expensive funeral.

Mr. ORMISTON: But not more so than any other veteran's wife?

Mr. McDONAGH: No.

Mr. BROOME: On the same point, the pensioner being unable to provide protection through life insurance, which is quoted on page three—was this not extended at the last session to provide that the high disability pensioner could purchase life insurance? Were they not given an opportunity to buy life insurance if they so wished?

Mr. McDONAGH: They have an opportunity to buy life insurance; but how much insurance can you buy when you have a husband and wife with a total income of \$300 a month?

Mr. BROOME: I meant for pensionable reasons they were not able to buy.

Mr. WOODCOCK: We have a delegation here today. They were not chosen especially out of our membership. They happened to be the bulk of our executive. The Montreal representative is "Steve" Johnson. I would like to know how many of these fellows here who have multiple disabilities and who wear plates in their heads, are able to get life insurance?

I fortunately am one of them because my brother-in-law—I should not say any more than that. But that is what we mean. So often, incidentally, if we are blind, we are considered to be a greater risk. And it costs us anywhere from \$3 per thousand, up, to buy insurance, if the insurance companies consider our health such that we are insurable.

Mr. BROOME: My question is this, and I shall direct it to the officials: did the government not make it possible for a pensioner, regardless of the degree of his disability, to buy insurance at the standards rates?

Mr. MACE: That is quite right. I shall ask the former superintendent of veterans insurance, Mr. Black, to answer you.

Mr. C. F. BLACK (*Secretary of the Department of Veterans Affairs*): Mr. Chairman, the Veterans Insurance Act provided for a maximum of \$10,000 life insurance to veterans of World War II and of the action in Korea.

For discharged personnel after World War I, the returned soldiers insurance act was available, and it offered protection up to August, 1933.

Veterans insurance is now available to World War II veterans until September 1962. The rates are comparable to those charged for corresponding insurance accepted at standard rates by the life insurance companies.

As far as total disabilities go, we are prepared to accept all applications from pensioned veterans, provided they have a reasonable expectation of life. If a pensioner applies for insurance and his expectancy of life is more than several months, we will accept the application.

Mr. BROOME: You say more than several months?

Mr. BLACK: If the applicant has a terminable illness, his application may not be accepted.

Mr. WOODCOCK: I would like to ask the last speaker this question: supposing tomorrow I decide to take out \$10,000 of government insurance, and supposing you accept me, and I die within six months, will you pay my widow the \$10,000?

Mr. BLACK: The answer is that your acceptance would depend on medical advice given.

Mr. WOODCOCK: Assuming I was accepted and then died within three months or six months or a year, if you wish: would the government pay my widow the \$10,000?

Mr. BLACK: Assuming you were accepted and the policy was issued and you died tomorrow, we would pay your widow \$10,000 provided there was no fraudulent statement made in the application.

Fraud in connection with a large pensioner is very difficult, because we have on record the details of his disability. It would be virtually certain that your widow would receive the whole amount, and that the policy would be paid in accordance with its terms.

Mr. McDONAGH: I am merely anxious about those of the first world war. Things may have changed. But if I died of my pensionable disability, would you pay my widow \$10,000?

Mr. BLACK: We would pay the full amount. There was previously in effect a provision whereby for some years the payment would be limited in ratio depending on the commuted value of the pension, but it was eliminated at the last session of Parliament.

Mr. MONTGOMERY: I am a little confused. Suppose I am a World War I veteran who had no service in the second war or in the veterans corps. Could I get this insurance?

Mr. BLACK: No sir. The last date on which World War I returned soldier's insurance could be accepted was in 1933.

Mr. FANE: Could I get that? I was in both wars, but I was not overseas in the second war.

Mr. BLACK: So long as you were in service in World War II, you are eligible for veterans insurance.

Mr. McINTOSH: Have you had any applications from blind veterans which have been refused? That is my first question, and my second question is this: have you had any claims where the veteran has held a policy and you have not paid it on account of fraud?

Mr. BLACK: With respect to your first question, we have received—and incidentally I do not have complete insurance records here—but we have received something over 42,000 applications for veterans insurance, and of that total, about 72 have been declined.

Whether any applications have been declined because of blindness I doubt very much, because blindness does not shorten life to the extent that is mentioned in our requirements.

According to my recollection we have refused to pay two policies where fraud was evident.

In one case the applicant stated that he was in good health. But he was in fact suffering from terminable cancer and the doctor handling his case assured us that at the time he applied he knew about it. Therefore we were unable to pay it. That was one instance of fraud.

If a man is blind that does not shorten his life, so we would not turn down an applicant on that ground.

Mr. BROOME: And this insurance is available in any sum? Suppose a pensioner wanted to buy just \$1000 worth, could he have it?

Mr. BLACK: The insurance is available in any multiple of \$500.

The CHAIRMAN: Have we concluded our discussion on this first subject of the brief?

Mr. THOMAS: I have one more question in regard to the drop in income or the cost to the government of putting this scheme into effect. I understood from your statement that where the maximum pension is \$2400 and it was paid to a man and his wife, if the pensioner dies his wife's allowance then would be decreased to \$115. But the statement was also made that in cases where there are children, the children's allowance on the death of the father is immediately doubled: so that the difference of \$85 between the \$200 allowance to the married people, coupled with the \$115, might not apply altogether where there were children in the picture.

The CHAIRMAN: Perhaps the chairman of the pension board would comment on that question.

Mr. MUTCH: I am not sure that I understand your question, Mr. Thomas. But in the case of a man and his wife, the maximum pension, the 100 per cent pension, is \$200 a month; that is the basis on which the reduction at \$85 is made. As I said a few minutes ago, if there are children of suitable age, additional pension for those children is payable from the day following the death at orphan rates. In other words, double the previous rates.

I assume in the request which is being made, that it was the intention of those who prepared the brief to retain the \$200 award for a period of one year.

If the widow had the two children; she would get, at the present time, \$115 for herself, \$40 for the first child, and \$30 for the second child, or a total of \$185 a month; whereas, before the death, they would get \$235, that was \$150 plus \$50, plus \$20, and plus \$15; and they would be getting the helplessness allowance too. The attendance allowance ceases with the death. It would be stopped automatically when the need for attendance disappears with the death. Do I make it clear?

Mr. THOMAS: Yes. My point is this: the number of children who entered into the picture would affect any savings that there might be on the part of the government.

Mr. MUTCH: I do not think it does, because the children are pensionable in any case. What is paid to them is not affected by the suggestion, and they would certainly, in the one instance, continue to be paid for one year at the rates payable during the lifetime of the father. Actually the rates are automatically doubled; at the time of the father's death.

The CHAIRMAN: Have we completed the first topic?

Mr. MONTGOMERY: I am not quite sure I understand this, because the inference drawn from the brief is that the widow of a veteran who continues

under the veterans allowance gets that \$620 a year right along; but after the first year—at the end of the year—is the whole thing not stopped, and the widow gets nothing from there on?

The CHAIRMAN: Perhaps Colonel Garneau will answer your question.

Colonel F. J. G. GARNEAU (*Chairman, War Veterans Allowance Board*): There is a clause in the act which permits continuation of the married rate that the veteran was receiving before he lost his wife, and that is for twelve months following the death of the recipient or, vice versa, the death of his wife.

But if at the end of those twelve months the widow is entitled to be put on the war veterans allowance either by reason of her poor health, or her age—if she is 55 years of age it is practically automatic—she goes on the widows allowance, and she would be paid at the single rate.

For example, take the case of a widow who might be only 42 years of age, and who lost her husband through an accident or for some other reason. She would continue to receive that allowance for one year; but after that she would have to qualify on the grounds of health—I might say—if she is to continue to receive that allowance. In other words, she is subject to a means test. Any questions which arise having to do with capacity would be determined in the same way as those in connection with the veterans themselves, by means of medical reports.

Mr. MONTGOMERY: When a widow reaches the age to receive the old age pension, her war veterans allowance is reduced by that amount.

Mr. GARNEAU: Yes, sir and that is done to keep her within the maximum income or ceiling permissible.

Mr. BROOME: Would it not then be true to say that the War Veterans Allowance Act, as far as the widow is concerned, has advantages for widows, whether they be widows of veterans drawing the allowance, or whether they be widows of veterans who are pensionable? In other words, the provisions of the War Veterans Allowance Act are a protection for all widows?

Mr. Mutch: Perhaps I might say a word there. If a widow is in receipt of a pension as a widow, her income would then place her beyond the means ceiling in the War Veterans Allowance Act; so it is not a choice. After all, there is no means test for the widows pension, but there is a means test for the war veterans allowance; and if the Commission, upon occasion, increase the pension award and eliminates the dual payment, W.V.A. becomes automatically subject to reduction by the other awarding authority, the War Veterans Allowance Board.

Mr. WOODCOCK: If a widow of a war veteran is in receipt of a pension, her primary income is \$90, and it is the same when it applies to old age security. Old age security takes into consideration what you receive under the War Veterans Allowance Act, that amount of \$90.

The CHAIRMAN: Does that complete our discussion? Shall we proceed to the next topic on page 4, "continuance of wife's allowance"? Have we any questions?

Mr. WOODCOCK: With reference to the continuance of the wife's allowance, there is a paradox in my way of thinking.

Prior to the death of the pensioner, (the i.e. wife of one of our war blinded)—as it is presently set up—the pensioner is in receipt of \$250 per month. I can paint a picture of an individual receiving the war veterans allowance whose wife dies, and whose allowance is continued at married rates for one year following the death. During the period of that one year, the income of that war veterans allowance recipient goes to \$245 a month—i.e. W.V.A. at married rates \$145 plus \$100 per month attendance allowance plus the government giving him free hospitalization which is \$2.20, which is

charged against the pensioner, bringing their two incomes for the one year following the death of the wife to \$247.80 for the pensioner. That is, \$247.20 for the war veterans allowance case.

There is only a difference of 60 cents between the two cases, providing that the war veterans allowance case I am talking about is totally blind from a cause which is credited to his disability.

Then a change of policy was recently brought into force. There is this 60 cents difference between the two.

The CHAIRMAN: Are there any further comments?

Mr. HERRIDGE: That is a very interesting piece of information.

Mr. BROOME: What is it for the war veteran who does not happen to be in this very special case? Perhaps one of the officials could tell us? What would it be for a war veterans allowance recipient whose wife dies and he is not in that particular category?

Mr. MACE: I think the war veterans allowance recipient whose wife dies would continue at the married rate for one year, and he would get \$120 per month.

Mr. GARNEAU: Yes, if he was getting \$120 a month.

Mr. BEECH: What is the position of the single blinded veteran? Let us say he received the same allowance for care and attendance. How does that fit into the picture?

Mr. McDONAGH: The commission awards an attendance allowance to the single blinded veteran who is pensionable under section 30 of the act.

Mr. BEECH: He does get an attendance allowance?

Mr. McDONAGH: Yes.

Mr. BEECH: I was thinking of a different case; would the attendance allowance be carried on just the same?

Mr. McDONAGH: If a single man dies, then the attendance allowance stops.

Mr. BEECH: I was thinking of a blind veteran who lost his wife. Would his attendance allowance be kept on?

Mr. MUTCH: The commission has the authority to continue to pay the attendance allowance to a blind pensioner, when his wife dies, provided he has minor children—I am sorry—the attendance allowance itself is continued, and the additional allowance for the wife may be continued—that is what I should have said—the additional pension for the wife may be continued where there are minor children.

The CHAIRMAN: I think we have cleared up that point.

Mr. WOODCOCK: Once again I would point out that there is provision within the act right now to continue to pay the wife's allowance under the form of a housekeepers allowance, if he wishes to have a housekeeper, where there are dependent children involved.

Mr. MUTCH: That is correct.

Mr. WOODCOCK: That service is available now to a pensioner if his wife died and he had dependent children; but this legislation is intended mainly for the benefit of the veterans of World War I; and in fact the story written here is actually the story of a World War I veteran. It is a personal one in this case.

Mr. HERRIDGE: There are not many of them who would have dependent children now.

Mr. WOODCOCK: Would you like to suggest that that is beyond the realm of possibility?

The CHAIRMAN: Shall we move on to the next point? Have we agreed on this subject? If so, let us move to page six "free hospitalization for non-entitlement conditions".

Mr. HERRIDGE: I would like to ask this question with reference to page seven where the brief reads:

On numerous occasions our war blinded have experienced lengthy sojourns in admitting offices, while a multiple number of seemingly irrelevant questions are asked, in order to determine entitlement to treatment.

Would the witness expand on that statement a bit?

Mr. McDONAGH: I must call upon Mr. Woodcock, because he has some six or seven cases which he investigated where he found those conditions to exist.

Mr. WOODCOCK: Mr. Chairman, we are not confining this request just to this year. Our attention to this group is drawn from the fact that it has not alleviated these conditions as they exist, because the conditions still exist. We have one member of our delegation here today who, some years ago, was rushed to hospital in a coma, and his wife—and here again I say "seemingly irrelevant question"—was detained in the admitting room for a long period of time; if I remember correctly, it was upwards of an hour; and when he eventually reached the ward, the doctor and nurse took one look at him and sent for a priest.

Treatment regulations did not alleviate that type of condition. There are other conditions outlined here. Once before when I appeared before the Minister of Veterans Affairs, I was picked up on a statement that it happens all too often. But I am making use of the term again, because it does happen all too often, because in our view, even if it only happened once, that would be once too often.

It is a thing we want to eliminate and we still consider it part and parcel of the whole picture of blindness.

No one knows the frustration and the nervous conditions that are suffered. As a matter of fact, Colonel Baker is suffering from the very same disability that is keeping him down for six or seven months, due to nervous tension and strain. You cannot tell me, gentlemen, that the nervous strain which Colonel Baker has been under as a result of his total blindness over the years has not had a very serious effect on his person; and there are other disabilities here.

If you wished I could give you the routine to be followed when you are seeking treatment, and it is still dependent on the time of day. If they would only call me and say what must I do to get my husband into the hospital, I would tell them what they should do. We would give them the correct procedure.

But picture for yourself a distracted wife, when her husband is very seriously ill. She calls up the doctor recommended, and the inspector at the hospital—it may be just ten minutes before closing time—he asks: what income have you got? And she happens to say \$300 a month; whereupon he says, "I am sorry, you are not entitled to treatment".

What has been left out is the fact that the income is derived from pension, and under the treatment regulations the man could go in and receive treatment at a very nominal charge. We will agree to that. But I have veterans now who, rather than go through it, prefer to remain at home and receive their shots once a month, paying for them themselves.

This subject has come up at the last two or three general meetings, and even at our reunion it is a very hot topic from time to time, since so many were blinded.

Mr. McINTOSH: Are you not being harsh, when you say that irrelevant questions are asked? Are not such questions asked of everyone who goes into a hospital?

Mr. Woodcock: I can only speak for our group, because it is the only group on which I have the records.

Mr. McINTOSH: How can you say that they were irrelevant questions?

Mr. Woodcock: I did not say that. I said they were something else. I said they were seemingly irrelevant questions. And if you were in the position of the wife, I think some of those questions would seem irrelevant to you, if your husband were lying there in a coma. Seemingly irrelevant is a different picture, I think. We feel it would solve the problem if he had a card that said, "This chap is a totally blind veteran. Admit him and then find out what is wrong", and not, "Find out whether he can pay or whether he cannot pay and whether he is entitled to treatment". A man with consequential disabilities is in the worst position of all. I can give you the regimental numbers and means if you wish them. I have a file here and I can name them.

Mr. McINTOSH: Have you any cases where a patient has been turned away from one of these hospitals?

Mr. Woodcock: Yes. I know of a case where the man arrived in an ambulance and was seen by, possibly, an intern—I do not know. He was sent home again in the ambulance with a prescription. I do not come into that picture until after a lot of it has gone on, and then I am amazed to find out what has happened.

For instance, in the case I am talking about the man was sent home after arrival at the hospital and his widow called me in exasperation. From her description I gathered the veteran had gone to the out-patients clinic, and it could quite possibly happen that if the doctor felt this man did not need treatment other than a prescription, he would send him home again. I started to calm the wife down on that premise, only to discover that he had been sent there in an ambulance by his own doctor.

Mr. McINTOSH: In that particular case did you find out he needed other treatment at that time, rather than the prescription which the doctor gave him?

Mr. Woodcock: Well, they later admitted him. When it was drawn to their attention, they sent an ambulance out—this time a department ambulance—and took him into the hospital and gave him treatment. I can only assume that the first time he appeared at the door with the same condition, and he should have been admitted then.

I have other cases too. Frankly, I deplore the fact that this type of thing should get into the press, and I would ask that if I am forced to give names, or if I give you names and regimental numbers in confidence, they be kept as such. We do not want the kind of headlines we have seen across the country. We have too much respect for the heads of staff, who I know are doing their best.

Mr. HERRIDGE: Mr. Chairman, I just wanted to say that I am fully in sympathy with the recommendation made in this connection. When we can provide hospitalization for people who fought against this country—and I am not blaming them as individuals—we certainly should be able to provide facilities in veterans hospitals for the hospitalization of the war blinded of Canada.

Mr. THOMAS: Mr. Chairman, I would like to ask Captain Woodcock if, in the case of his association, the national hospitalization scheme in those provinces where it is brought into effect will not largely alleviate the condition that they have found unsatisfactory?

Mr. WOODCOCK: Sir, I do not see how it can, because you are still going to be confronted with the problem, "Is this man entitled to this treatment? Is this man's pensionable condition the reason for his admittance? If it is not, then we do not have to admit him".

Let us assume it is a consequential disability—and we have them. You can have the slips and falls of one particular case, for instance, and the buffeting in and around for months and months, until finally the man develops some condition because of his mental anguish. In the meantime a debate is going on as to whether the slip and fall of a totally blind man is consequential upon his blindness or not.

Where can I get a doctor in this room—even Dr. Crawford—who can argue with me? I can stand here all day and point out things in that connection—nervous strain, stomach upsets and a number of other things—which we know and our families know are consequential to this disability of artificial eyes.

But you try and prove it and ask to be admitted because it is part and parcel of your pensionable condition. I do not say that this government paying our hospital bills is going to do it at all. It is only going to mean that we should forget the military hospitals set up for the purpose of treating battle casualties and go to civilian hospitals. We might just as well—

Mr. MCINTOSH: Are all those who belong to your organization in localities where they can attend a military hospital? Do not some have to go to civilian hospitals?

Mr. WOODCOCK: A remote few would have to go to civilian hospitals; but in blindness you will find there is usually a migration from the rural areas to the more heavily populated areas to take advantage of the facilities and the services and, if possible, employment opportunities. So your blind population, as far as the war blinded are concerned, are on a parallel with the population across this country; and there are military hospitals in most of those centers.

Mr. BEECH: Mr. Chairman, I was given the impression at the last session that this program had been clarified or, at least, cleared up, by this new hospital scheme, particularly as it refers to veterans. We discussed this at some length, as I recall. The same conditions applying to other veterans as well as the blind was discussed at some length, and I was under the impression that all they had to do, as long as the doctor recommended it, was go to the military hospital and they could be admitted immediately and could be given treatment for whatever condition they were admitted.

I do not know whether I had the wrong impression or not, but if I had I would certainly like to be cleared up on that matter.

The CHAIRMAN: Can we get any clarification on that point? I believe there was some lengthy discussion to this effect at the last session.

Dr. CRAWFORD: Mr. Chairman, we are really being asked in this brief to agree to the provision of treatment for all conditions to the war blinded as of right. A great many people would be in sympathy with this view. I think that one should realize what we are getting into in doing this and I do not mean dollarwise, because probably that should never be the measure of anything we undertake.

Under the legislation we have treatment that is restricted to the treatment of a pensionable disability. If this is to be changed, you must instruct me. I cannot act on my own. This is a matter upon which you must make the policy. We have already vastly exceeded our terms of reference. We are treating all kinds of veterans on the basis of (1) indigency and (2) the ability to pay for treatment provided that beds are available.

Under indigency we treat the war veterans allowances recipient for everything. However, we treat the pensionable veteran only for the pensionable disability unless he can pay for additional treatment or unless he is otherwise indigent once we have taken away his pension from his income.

I am not trying to pretend this is right. All I am telling you is what is written in the book of words now. If this is to be changed, you must tell me to change it. If we are to consider the war blinded as a special group—and they might well be considered as a special group—you must tell me. There is another thing you must tell me, and that is whether everyone who has a war blinded pension, be it a pension of 5 per cent or 10 per cent or 100 per cent, comes into this group. In other words, if you are taking war blindness as a special disability and giving them special rights and privileges—and perhaps this is what you want to do—you should tell me if this privilege is to apply to all or only to some. If you want to apply it only to those who are blinded to a certain extent, then you must tell me the degree of pensionability where this privilege is to be cut off.

We have a brief from the War Amputations Association very much along these same lines. They say "high disability cases". I do not know what "high disability" means. I do not know where high disability stops and medium disability begins. The war amputations themselves have at various times suggested 50 per cent disability. They say that 50 per cent disability and more should be entitled to free treatment for all conditions. That perhaps is justifiable perhaps it is right. But you must tell me that is 50 per cent and you must also give me answers as to why not 45 per cent.

If we are to give free treatment to everyone in the war blinded group and in the War Amputations Association who has above 50 per cent disability, I can tell you how much it will cost, or I can calculate how much it will cost and you can give me the money to do it, and I will do it.

I must also have an answer to give to the paraplegics. I must have an answer to give to all other groups of pensionable veterans who are in receipt of a pensionable disability of a certain level. It seems to me that if we are going into this thing properly you must instruct me to provide free treatment for all conditions for anyone who is in receipt of a disability pension. If you so instruct me, I can calculate the cost, or take a cock shy at it, and carry it out. But, under the present terms under which we have to work, the war blinded pensioner is treated in our hospitals as of right only for his blindness or for whatever pensioned multiple disabilities he may suffer.

Captain Woodcock has said it is impossible to reason properly on the basis of consequential injuries following on blindness. I cannot agree that it is impossible in all cases, but in most cases it is extremely difficult and I would like to feel that the benefit of the doubt in treatment services is applied in these cases. I would like to feel that where a man trips over something because he is blinded and injures himself as a result, this clearly follows on his pensionable disability, and I would hope that this applies in general throughout our treatment services.

Captain Woodcock said some very harsh things about some of our staff, and this is to be regretted, because in the main I think they do their best. We have in our treatment services a number of people whom, frankly, I would prefer not to have. I think I can develop in treatment services a much better public relations aspect, which is what we need, by firing a great many people that we have there now and hiring others, probably females, because I think they do a better public relations job. In doing this I would be discharging veterans who are dependent on us for a livelihood. If this is what I am to do, instruct me and I will do it.

Mr. BEECH: That is not an answer to the question I asked. I forget whether it was the minister or the deputy minister who said that because of the new insurance scheme any veteran would be entitled to admittance to a departmental hospital.

Dr. CRAWFORD: Yes. I am sorry; I did miss this. This, of course, is only partially true. This means that every veteran who is insured has the privilege of coming to our hospitals and his way will be paid under the insurance scheme. This therefore brings him into the section 23 class and he can come into our hospital, provided we have beds available. But we must have beds available.

Mr. BEECH: Would not that do away with some of the inconvenience and some of this treatment that Captain Woodcock mentioned? If he was admitted as a matter of right under that basis, it would certainly eliminate all these questions that have been complained about.

Mr. DIES: Of course, Mr. Chairman, you do know that with my multiple disabilities I could not be admitted to hospital under the D.V.A. because I have been stupid enough over the years to get an income which is more than a blind man should have in his lifetime. I can go in for possible trouble with my right arm—which has never bothered me—and I can go in because my artificial eyes bother my sockets. But I never do.

I have at the present time a condition of arthritis, which they were very kind to tell me about, but that is as far as it went. As I said before, I am additionally suffering from disability and I am not entitled, as you know very well, to any treatment beyond that for which I am pensioned. Notwithstanding all these disabilities I have my pension is exactly 100 per cent. But because of thrift, and, if I may use those two words again, intestinal fortitude, Mr. Chairman, I am excluded from hospitalization. That is the sum and substance of it.

Mr. WOODCOCK: Mr. Chairman, may I make one more statement. I do not want to cross swords with anyone here. My harsh words are only an attempt to point out the facts with which we are confronted. I do not mean to cross swords with any one particular branch of the staff, because the widow might have asked some one else in some other department.

I can refer to another one of our delegation here today who was in need of an operation for a kidney stone removal. He was actually told on the 'phone, "How much are you earning? If you are earning over \$35 a week you are not entitled to treatment". That is the kind of erroneous statement, regardless of whose toes we step on, that we are trying to eliminate.

In the first place the statement was incorrect, whoever made it on the other end of the telephone. If you are earning \$48 a week you do not fit into section 13 of the treatment regulations. That was one error. Secondly, if this particular veteran had wanted to go into military hospital, and could pay, he could have done so. Why would anyone on the end of that telephone tell the man he was not entitled to treatment in a military hospital because he was earning over \$35 a week? If that is being hard on anybody, I could go on.

The CHAIRMAN: Captain Woodcock, listening to Dr. Crawford's explanation that would seem to be more of an administrative problem than a fundamental problem, because if beds are available they would be admitted.

Dr. CRAWFORD: The statement, on its face value, is quite true. He is not entitled to come into hospital. The only person who is entitled to come into a veterans' hospital is a veteran, for his pensionable disability. Everyone else is taken in as a matter of privilege, and we extend this privilege as far as we can.

Mr. HERRIDGE: Mr. Chairman, I should like to ask Dr. Crawford a question on that. Is a veteran who has less than 365 days service in the United Kingdom entitled by right to go into a veterans' hospital, without pensionable disability?

Dr. CRAWFORD: You are thinking of section 13?

Mr. HERRIDGE: Yes.

Dr. CRAWFORD: No, he is not. Section 13 has certain service qualifications as well. However, if this man is insured, he is privileged to come in.

Mr. HERRIDGE: If he is insured, yes.

Mr. McDONAGH: May I ask a question of Dr. Crawford: is it not a fact that of some 8,000 beds which are available in D.V.A. hospitals less than 40 per cent are occupied for entitlement conditions?

Dr. CRAWFORD: The percentage over-all is somewhat lower than that. Closer to 30 per cent of our beds are occupied by veterans for treatment of their pensionable disability. This, of course, is a matter of some concern because we are struggling to keep a good medical service for the benefit of those pensioned veterans by adding to the volume of patient load from the privileged group.

Mr. THOMAS: I have one more question: does the Department of Veterans Affairs take any special precautions to see that all veterans are covered under the Ontario Hospitalization Act? At this moment, all I can speak of is the province of Ontario. Maybe it should apply to other provinces where the national hospitalization scheme has been put into effect. I mean by that, any individual can come under this scheme by paying the necessary premiums; and under certain conditions groups are compelled to come under the scheme. But I also believe it is possible for individuals to be left out of the scheme if their premiums are not paid. I know the municipalities make sure that fees in connection with all indigents under their care are paid. My question is: are similar precautions exercised by the Department of Veterans Affairs? Probably that is a question for the assistant deputy minister.

Dr. CRAWFORD: With his permission, I will try to answer your question. In those provinces where hospitalization is financed by a sales tax or some general levy of this nature we feel, of course, we have no concern in the matter; every resident of the province is covered. In those provinces where the hospitalization scheme is financed by the payment of a premium, we confine our efforts to ensure that all veterans in receipt of war veterans allowances are covered. We do not take any steps to cover the man who is employed; this is generally done by his employer; nor do we take any steps to cover any other group of veterans except those who are in our domiciliary care and have an income; we register those.

However, we have not lost sight of the fact that it is possible for some veterans to slip through this net, particularly in Ontario where there is no penalty for not being enrolled under the scheme. If a veteran in Ontario, a small farmer, and thereby self-employed, chooses not to pay his premium, then of course he cannot benefit from the hospitalization scheme. He is not insured under it. However, all the sections of the veterans treatment regulations are still extended to him and are still in being, and this man can seek treatment under section 13 or under any of the other sections in which he might find coverage. In other words, the veteran himself is not losing anything by this. He can still utilize section 13 and pay whatever he can afford to pay to us, and we will treat him.

Mr. HERRIDGE: I would like to ask a question of Dr. Crawford. I was very interested in Dr. Crawford's reference to the fact that if there was a hospital insurance scheme in effect, say, similar to British Columbia, you were not concerned about the veteran because he was covered. But is it not true there is some difference in connection with the persons who are admitted to an ordinary hospital and those to a veterans' hospital.

Take, for instance, British Columbia. Suposing a veteran who does not qualify because he only has 364 days service in England, is not a war veterans allowance recipient and is in need of hospitalization for a chronic disease. He would not be admitted to a general hospital under our hospital insurance scheme and at the same time would not be admitted to a veterans affairs hospital, according to your explanation.

Mr. THOMAS: In Ontario.

Mr. HERRIDGE: / In British Columbia.

Dr. CRAWFORD: I see your point. Section 13 is meant to cover active treatment. Now, the man who only had 300 days' service and could not qualify under section 13 for active treatment, is covered by the plan for active treatment, and comes in. This might affect the man who is coming in for chronic care, for which the provincial government will not pay, because chronic care is not an insured service. If he did not have the qualifying service which would let him come in under section 29, he might be excluded.

Mr. HERRIDGE: It is a possibility that some veterans would be out in the cold.

Dr. CRAWFORD: Yes, but numerically they must be very, very small.

Mr. HERRIDGE: But as the witness said one is more than we should have.

Dr. CRAWFORD: Well, true enough, but you must instruct us if our attitude toward the provision of hospitalization and treatment for veterans is to change.

Mr. HERRIDGE: I think we have to do something about it.

Mr. McINTOSH: But not one special group.

Dr. CRAWFORD: This is a matter you must decide for yourself.

Mr. DIES: Dr. Crawford, how many would there be in these groups to which you referred,—the paraplegic, the blind, the major disabilities and the amputees. Would there be 500: I do not think so.

Mr. MUTCH: No?

Mr. DIES: It would not be near 500; so it is a small group.

Dr. CRAWFORD: The amputees are a large group.

Mr. DIES: But the major disabilities are very small.

Mr. MUTCH: Something over 2,300 at the present time.

Mr. DIES: That is active.

Mr. MUTCH: Yes, all but a rather small percentage of that group would be for major disability—perhaps 70 per cent of them or upward.

The CHAIRMAN: How are we coming along in our discussion of this particular subject? Have we any further comments on the matter of hospitalization and treatment. Is it your wish that we agree that this subject be carried?

Agreed to.

The CHAIRMAN: On page 8 the next topic raised is under war veterans allowance. Is everyone clear what is indicated under this topic?

Mr. McINTOSH: I have one question in connection with where it says "blind war veterans allowance recipient, or married veteran with a blind spouse". Should not that be "married blind veteran with a blind spouse"?

Mr. GARNEAU: No.

Mr. McINTOSH: There is another provision for a blind spouse.

Mr. McDONAGH: I do not have the act with me, but Colonel Garneau may have it. There is another provision for a blind spouse, and this is just carrying it out.

Mr. WOODCOCK: This has to do with a war veteran recipient with a blind spouse.

Mr. GARNEAU: That is the proposed amendment, I understand, of your association. Actually the act says:

Married veteran residing with spouse who is blind within the meaning of the Blind Persons Act.

That quotation is actually from our act. You are referring to the blind war veterans allowance recipient or married veteran with a blind spouse; and that is the proposed amendment, if I understand it correctly.

Mr. CARTER: How does the Blind Persons Act apply to the spouse of a veteran? A veteran could be male or female. How does the Blind Persons Act apply to that person?

The CHAIRMAN: Have we an explanation of the point of the question asked by Mr. Carter? Would you please repeat your question, Mr. Carter.

Mr. CARTER: How does the Blind Persons Act apply to this particular situation, the blind spouse of a veteran?

Mr. GARNEAU: I understand that is the principle behind it. I think this was placed in the act in 1955 to give a slight extra amount to the veteran who is sighted himself, on account of having a wife who is blind; and that represents an income ceiling of \$155 a month instead of the \$145 a month as for the normally sighted married person. This is likely so because of small extra items of expense on account of the wife that the veteran himself might incur, actually I would not know offhand what could be incurred, but that was given as a concession because the sighted veteran may have to look after his wife who is blind. But there is actually no extra allowance paid for the veteran who is blind and in receipt of war veterans allowance. If I understand correctly, that is the purpose of this proposed amendment.

The CHAIRMAN: Colonel Garneau, I think your explanation has cleared up the point. Are there any further questions?

Mr. CARTER: I am not completely clear on this. Take the case of a woman. If she was not married to a veteran and she was blind, she would be entitled to some pension under the Blind Persons Act. Now being married to a veteran who receives a war veterans allowance, is that income taken into account? To what extent is that taken into account in computing the allowances paid to the veteran?

Mr. GARNEAU: I think all income that is not exempt under the act would be taken into account in the same way as any ordinary income is concerned. However, the ceiling in that case, instead of being \$145 a month or \$1,740 a year, would be \$155 a month or \$1,860 annually. Does that answer your question?

Mr. CARTER: There is a different ceiling.

Mr. GARNEAU: Oh yes, there is.

Mr. CARTER: The only question then is whether the ceiling is commensurate with the extra expenses in connection with that type of union.

The CHAIRMAN: Are there any further questions on this topic?

Mr. McINTOSH: The comparisons in this brief all seem to be in reference to the veterans allowance recipients who are indigent; is that correct?

The CHAIRMAN: Yes.

Mr. McINTOSH: And it seems to me if we do anything for these indigent cases, that the other groups will also want the same consideration over and above what they are already receiving. But I do not think you can compare the two groups. One is receiving it for a different purpose than the other. That might be something I should not mention to this group today, but I wanted to bring that forward.

Mr. WOODCOCK: To my knowledge there is none of our war blinded in this category affected by this resolution. It is a resolution asking that the blind war veterans allowance recipient be treated exactly the same as the blind war veterans allowance recipient who has a blind spouse. Having recognized the cost of blindness with a spouse, surely it applies equally to the war veteran who is blind. But it does not affect our war blinded group.

Mr. MCINTOSH: On the next page you say:

Whereas more recently, without consultation with the war blinded, those on war veterans allowance whose blindness is not due to service, have been granted the same rate of helplessness allowance as those whose loss of sight was due to wounds on service. The war blinded, while not wishing to deprive the non-war blinded of the fruits of the generous impulse which has changed the policy, feel very strongly that the new modified rate accorded to war veterans allowance cases, definitely raises the question of an adjustment in the rates applicable to the war blinded.

Mr. WOODCOCK: Here again we see this comparison creeping in. Unfortunately or otherwise, over the years there has been a differential between service connected blindness and non-service connected blindness. As the brief indicates, there was an occasion where our group agreed that some form of modified helplessness allowance should be granted to the veteran who had some small pension entitlement.

Within the act it is legal and quite in order to grant any amount of helplessness allowance to a pensioner from the minimum of \$480 up to the maximum of \$1,800, dependent on his condition. But in connection with the blind, there has always been a differential, perhaps for the reason, as indicated by our president a few moments ago—42 years of blindness; blinded when a young man, and having to carry the disability all these years. It is an attempt in a sighted world to create security, whereas most of these cases are going blind on account of old age. There has been that differential always in the past. Now we learn, not by consultation with us, I do not suppose there is anything to force anyone to consult with us—but we learn purely by accident that the same amount of helplessness allowance is being granted to non-service connected blindness, thereby placing us on exactly the same plane.

Once again, we do not want to see any one particular group discriminated against, but we certainly felt that some sort of differential should be maintained. It is a generous impulse to move them up to the same level as gunshot wound cases, and in our case mainly multiple disabilities. We can only achieve a 100 per cent pension, and we have raised the question in our minds: should we go back to previous requests and ask possibly for the payment of a 50 per cent pension for all disabilities in excess of 100 per cent. We have asked ourselves on occasion: should we reach back into our past perhaps and ask that pensions be exempt entirely as income when applying for war veterans allowance. Perhaps these are the answers, gentlemen; I would not know. However, we strongly feel that there should be some differential between the two.

The CHAIRMAN: I notice there are other members who would like to enter the discussion at this stage, and I also see that the clock has moved on. We have a problem with our delegation today. The delegates have to catch a 3:30 train, and if it is the wish of the committee we might extend our sitting long enough to complete the discussion of the remaining parts of the brief. We are almost towards the end now. What is your wish?

Mr. BROOME: Let us carry on.

The CHAIRMAN: I believe Col. Garneau has a comment.

Mr. GARNEAU: Mr. Chairman, I was rather surprised to see the item on which Captain Woodcock spoke a moment ago, and I was wondering from this whether he refers to attendance allowances granted to veterans allowances recipients. Is that what you meant by your reference to the Canadian pension commission? In our case it was a little misleading. I was not aware that we had made any change of policy on that score, although I may state the matter was under discussion for a little while as to whether it would be possible to exempt helplessness allowances granted by workmen's compensation acts, for instance, for industrial accidents; but that has not been resolved.

I just wanted to clear the air on that point, because when I first read the brief I thought possibly that somebody on the board, unknown to me, had enacted a new policy. Mr. Mutch inferred that it was paid by the pension commission.

The CHAIRMAN: Mr. MacRae, do you have a comment?

Mr. MACRAE: I have a comment, Mr. Chairman, but I was going to suggest that we adjourn until later in the afternoon. However, that has been taken care of.

The point I have in mind is that there are some very basic principles of pension legislation involved here, and now we are going to run through it, which is unfortunate. However, that is the situation. I had in mind that if Captain Woodcock and the other members of the delegation could have stayed, it would have been better to go into it this afternoon, when it could have been more thoroughly done.

Mr. DIES: Pardon me. If it is going to help matters, and you can arrange with the railway to give us our money back, that is all right, because we are rather poor people. But we would be pleased to stay over.

Mr. BROOME: In our general discussion we have touched on most of these items starting from the very beginning. I know I have had several questions on this particular phase we are at. I think we can carry on. After all, we are considering this brief, and this brief only, at this time.

The CHAIRMAN: Do we adhere to the decision of the committee?

Agreed.

Mr. BEECH: I think we should carry on and get it finished.

The CHAIRMAN: Let us continue.

Mr. MUTCH: Perhaps I can say a word here, because this particular paragraph refers to the pension commission.

There are two groups of blinded who receive attendance allowance. There are first the war blinded. The second group are pensioners who, subsequent to their service, are blinded.

It is true that the table of disabilities which fixes the level upon which attendance allowances are paid, did for a number of years distinguish between the war blinded and those pensioners, whose blindness was not incurred during their service itself.

About eight or ten months ago the commission, which is charged with maintaining the Table of Disabilities, reached the decision that they felt that they were no longer able to maintain the dual standard.

Perhaps I could put it this way. They felt themselves no longer able to distinguish between the attendance need of a war blinded veteran who was a pensioner and other blind pensioners. So the Commission said that in the case of the veteran who is a pensioner and who is blinded, in the post war era his disability is identical with the veteran who was blinded on service and he requires the same assistance. For that reason the Commission has eliminated the dual standard and now award the same rate of attendance

allowance to a pensioner who is blind, whether his blindness occurred on the field of battle, whether it was an industrial accident, or arose from some other post service cause.

I should say to Captain Woodcock that at the time the commission changed their interpretation of the table of disabilities—which they create—and eliminated the lower award, his association was informed, and I have with me a copy of his acknowledgement of it.

That is the present situation. The commission, as of the moment, finds itself unable to differentiate, for the purpose of attendance allowances, between blinded Canadian pensioners, whether blindness is incurred on the field of battle or in civil life from condition unrelated to service.

The CHAIRMAN: Mr. Dies has a comment.

Mr. DIES: Mr. Chairman and gentlemen, it amazes me, and it was ever thus, that men do not hold a disability due to service to this country too deeply. I cannot understand at all why a man should be created the same as I, who has lived with all his faculties for possibly 30 or 40 years, and here—as I have said before, I have to use myself because I only know myself—I come along with multiple disabilities because I was able bodied and I volunteered to serve this country. Then, while serving this country, through gun-shot wounds, I got these multiple disabilities. Now you come along at this day and age and you tell me, "This man, who merely joined the army, came home, lived in this country and enjoyed all the country had, lost his sight", and you tell me he is entitled to as much as I am. I think it is a darned crime.

The CHAIRMAN: I think that point, Mr. Dies, applies only to pensioners who are pensioned for specific disabilities.

Mr. DIES: Yes; but they had all the blessings of sight and everything that went with it until they got a little older and had an accident. All these years I have carried this load, and they get just as much as I do. I do not think that is right.

The CHAIRMAN: The point I wanted to clear up in my observation was that it refers to people who have served on the field of battle.

Mr. DIES: I know that; but they have all the blessings.

Mr. McINTOSH: I think possibly the remarks of the president were a little uncalled for, because there are other people who did not come back, whose families have great problems; and I think everybody on this committee has performed his service to the country.

We are not denying that you are entitled to a lot, and the people of Canada are, I believe, willing to give you a lot. But we must be fair to all groups, and that is all we are trying to do now.

Mr. DIES: I think the people of Canada know that we should get a lot. The majority of the people of Canada know that I cannot go to the hospital and get hospitalization. The people of Canada, I am quite sure, would not be satisfied if they knew that a man who served his country, or who was ready to die for his country, would be treated the same as a man who came back and who enjoyed all there was to be enjoyed for, perhaps, forty years, and then was to be treated the same as the man who received his disability overseas. I cannot agree with it at all.

Mr. THOMAS: This is a matter of policy which will have to be thrashed out by the committee. We are passing on to the realm of principles and we are now asking instead of seeking information. I think we should continue with the brief, and if there are no more questions, and if we have covered the necessary points, then it will be up to the committee to argue this matter out.

Mr. WOODCOCK: I would like to ask one question.

The CHAIRMAN: Very well.

Mr. Woodcock: The gentleman sitting in front of me, Mr. Mutch, advises me that my association knew about this change of policy. I would appreciate hearing the communication. I am only the secretary of this association and a sometime past president. Possibly it is due to this very disability that I did not have enough assistance to have the correspondence read to me, because if there is such a communication, I have not heard it.

Mr. Mutch: I would not, under any circumstances, challenge the goodwill of Capt Woodcock, but I have in front of me a letter dated September 18, 1958, signed by yourself, regarding the attendance allowance. I shall not read that letter, but it is concluded and is signed and I understood it to acknowledge the information which was sent. It is dated September 18.

Mr. Woodcock: That is pertaining to the \$480?

Mr. Mutch: Yes; and it deals with the request in connection with the \$1,440.00. My point is that this was taken to be in response to the notification which, I am informed, went forth.

Mr. Woodcock: Will you read me the notification which went forward?

Mr. Broome: Mr. Chairman, on a point of order, this is not necessary. We are only getting into an argument and I suggest we move on to the next item. We are not here to have an argument back and forth as to any letter or note.

The Chairman: I agree with you, Mr. Broome. This is neither the place nor the time to enter into a discussion of this nature. So if it meets with your approval, gentlemen, and Mr. Woodcock, could we not end the discussion.

Mr. Mutch: I will undertake to clarify the situation with Captain Woodcock.

The Chairman: I think the two gentlemen concerned could carry this out on a private basis.

Mr. Woodcock: I would like once again to come back to the change of policy as outlined in our brief.

The Chairman: We have proceeded through "helplessness allowance"; are we finished with that subject?

The final subject is "basic rate of pension". I notice reference is made to the interests of the national council who will likely be pursuing this subject later on.

Mr. Dies: That is right. We shall be coming back to that.

The Chairman: Are there any questions?

Mr. Broome: It says that they will be submitting recommendations.

The Chairman: It looks as if we have completed our consideration of the brief. We thank Mr. Dies and the other members of this delegation for being with us this morning. I think the discussion has been informative and helpful.

Mr. Dies: Thank you, Mr. Chairman. This is the first time our association has appeared separately, as it were. We have had a very good hearing. We have had an expression of opinions; and we have talked about these things for so long that this was a good place to unload our thoughts. If I said anything which hurt any person's feelings, personally, it was not meant that way at all. I only wanted to bring out the points as I saw them, because having lived as I have all these years, I felt this was an opportunity to serve my country. I thank you very much. I would like to meet some of these members after, so that they may tell me what it was all about.

The Chairman: Thank you, Mr. Dies. We shall meet on Thursday when the Canadian pension commission will appear before us.

The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

Estimates 1959-60 of the Department of Veterans Affairs

MONDAY, MARCH 23, 1959

WITNESSES:

Mr. Stanley Harpham, Dominion President and Mr. E. V. (Gene) Heesaker, Dominion Treasurer, of the Canadian Corps Association; Mr. D. L. Burgess, Dominion President, Canadian Legion, B. E. S. L.; Mr. L. A. Mutch, Acting Chairman, Canadian Pension Commission.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.,

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (<i>Kings</i>)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.
MONDAY, March 23, 1959.

The Standing Committee on Veterans Affairs met at 11.00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Badanai, Batten, Carter, Dinsdale, Fane, Fortin, Herridge, Lennard, MacRae, O'Leary, Robinson, Stearns, Thomas, Webster, Weichel, Winkler.

In attendance: From the Department of Veterans Affairs: Honourable A. J. Brooks, Minister of Veterans Affairs; Mr. Lucien Lalonde, Deputy-Minister; Mr. F. T. Mace, Assistant Deputy Minister, Mr. L. A. Mutch, Acting Chairman, Canadian Pension Commission; Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board; Dr. John N. Crawford, Director-General, Treatment Services; Mr. G. H. Parliament, Director General, Veterans Welfare Services; Mr. C. F. Black, Secretary of the Department; Mr. J. G. Bowland, Research Adviser; Mr. G. S. Way, Chief of Information.

From the Canadian Corps Association, Dominion Command: Mr. Stanley Harpham, Dominion President; and Mr. E. V. (Gene) Heesaker, Dominion Treasurer.

From the Canadian Legion: Mr. D. L. Burgess, Dominion President; Mr. T. D. Anderson, Dominion Secretary; Mr. D. M. Thompson, Chief of Service Bureau; Mr. M. MacFarlane, Service Officer; Mr. Tom Kines, Director of Administration, and the following Provincial Secretaries: Mr. D. MacLennan, British Columbia; Mr. D. E. Fraser, Alberta; Mr. L. A. Macdonald, Saskatchewan; Mr. R. W. Blackwell, Manitoba and N/W Ontario; Mr. Patrick Biggs, Ontario; Mr. K. L. Woolley, Quebec; Mr. S. D. Rhodenizer, New Brunswick; Mr. A. MacKinnon, Nova Scotia; Mr. J. S. Walker, Prince Edward Island; Mr. W. R. Martin, Newfoundland.

On motion of Mr. Thomas, seconded by Mr. Herridge,

Ordered,—That, in addition to the 900 copies in English of the Minutes of Proceedings and Evidence now being printed, 2,650 additional copies be printed of such issues as are related to the presentations of the Canadian Legion and the Canadian Corps Association.

In opening the proceedings the Chairman invited Honourable A. J. Brooks, Minister of Veterans Affairs, to address the Committee. The Minister welcomed the two veterans delegations appearing.

Mr. Harpham and Mr. Heesaker presented the Canadian Corps Association's brief.

Mr. D. L. Burgess, Dominion President, presented the Canadian Legion's brief.

It was agreed that the briefs presented be printed in their entirety in the Minutes of Proceedings and Evidence of the day.

Following the presentation of the brief by the Canadian Legion, it was agreed to suspend discussion thereon to a later date and proceed with the study of the brief presented by the Canadian Corps Association.

Mr. L. A. Mutch gave answers to specific questions.

At the conclusion of the discussion on the brief of the Canadian Corps Association the Chairman thanked Mr. Harpham and Mr. Heesaker for their valuable contribution. In turn, Mr. Harpham thanked the Committee for their consideration.

At 1.10 o'clock p.m. the Committee adjourned to meet again at 10.30 o'clock a.m. Thursday, April 9, 1959.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

MONDAY, March 23, 1959.

11.00 a.m.

The CHAIRMAN: Good morning, gentlemen. We have a quorum and as we have a busy agenda we must proceed without any further delay.

This morning we have two groups before us, the Canadian Legion and the Canadian Corps. The Canadian Legion has a large representative group with them because it so happens that all the provincial secretaries are in the city on Legion business.

The Canadian Corps is represented by their president, Stanley Harpham, who is an old-timer in the field of veterans affairs, and the secretary treasurer, Mr. Gene Heesaker.

There are two items with which we must deal before turning over the committee to the minister. The first item concerns the provision of extra copies of the minutes of proceedings and evidence of the committee. There is a request from both these groups that extra copies be printed so that the record will be available to the various branches across the country. The suggestion is that 2,650 extra copies be printed.

Mr. CARTER: Does that apply only to this meeting?

The CHAIRMAN: It is for today's meeting only.

Mr. THOMAS: I move that in addition to the 900 copies in English, 2,650 extra copies be printed of the minutes of proceedings and evidence of the sittings of the committee relating to the Canadian Legion and the Canadian Corps.

Seconded by Mr. Herridge.

Motion agreed to.

* The CHAIRMAN: Mr. Mutch has two items of interest to be tabled.

Mr. LESLIE A. MUTCH (*Acting Chairman, Canadian Pension Commission*): At our last meeting Mr. Herridge made an inquiry as to the number of pensioners receiving blind attendance allowance who had died. I have before me the figures for the years 1952, 1953, 1954, 1955 and 1956. This information was readily available because of the review of the attendance allowance in 1957. The figures are as follows: 1952, 7; 1953, 6; 1954, 7; 1955, 9; and 1956, 13. It should be pointed out that some 100 per cent pensioners for blindness do not receive blind attendance allowance as they have some light perception. Some of these 100 per cent blind pensioners may have died and, if so, they are not included in the above figures.

While I am on my feet if I may I should like to make a correction on page 105 of the minutes of proceedings and evidence, No. 4, dated Monday, March 9, 1959. At line 11 the report reads: "has no status before this committee". This should read "has no status before the Commission".

The CHAIRMAN: Thank you, Mr. Mutch. Is there any discussion arising out of the statements?

We will proceed to the presentations before us this morning; but before we do the hon. Mr. Brooks, the minister, is with us. I would like to present him to the committee at this time, and also, of course, to our visitors.

Hon. ALFRED BROOKS (*Minister of Veterans Affairs*): I do not know that I need be presented to this committee because I have been here a number of times. I am very happy to be here this morning, particularly because we have with us the Canadian Legion and the Canadian Corps, both of which are presenting briefs.

I might say, as you will observe, that the attendance in the committee this morning is not as high as it would otherwise be because Monday morning is the morning when the members come in a little late. Our committee is a very popular one. We already have had quite a number of visitors here from the different veterans organizations. We have had the amputees, the Hong Kong veterans, the blind pensioners, and now we have the Canadian Legion and the Canadian Corps. Others will be coming later.

I wish particularly to welcome at this time the two groups here this morning. It is not the first time I have seen them at meetings of this kind. I do not know just how many times I have seen the Canadian Legion and the Canadian Corps before veterans committees.

I wish to say that we all realize how much we owe to these veterans organizations for the advice they give us. This advice, as I know from wide experience, is not always followed; some of it is and some of it is not. However, it is always sincere and much of it is very good. In the early days after the war, the veterans committees were very, very busy—and naturally so when you have nearly a million men to make provision for. Some 23 acts were before the committees, and these had to be considered very, very carefully. In those days the Canadian Legion and the other veterans organizations were of great help to our veterans committees.

In Veterans Affairs, we thought, when the veterans charter was passed, that most of the work was done; but as years go on amendments have to be made to the acts and we have to keep up with the times and changing conditions. I have realized that veterans' work is something like women's work; it is never done.

We are indeed pleased to see these veterans organizations here this morning. I always seem to have an excuse to make for leaving, and I do not like it at all. However, the cabinet is meeting at 10 o'clock this morning and I begged off in order to come here. I will have to go back later.

I have heard the Legion's brief on two occasions. I know they will excuse me if I leave while they are presenting it to the committee.

The Legion presented its brief to the government last November and, at that time, we promised we would give it very careful attention. This the government is doing. They also presented their brief to me in my office. The officials of the department went over it very carefully with the members of the Legion staff. As the Chairman knows, I sent him a letter, I think in February, commenting on the different recommendations.

As I stated on previous occasions, it is the intention of the Department of Veterans Affairs to carefully review all veterans legislation. This cannot be done at one sitting of parliament. We have already had a number of acts before us. This year two bills have been presented to the house. We expect to have a third very important and lengthy bill, amendment to the Veterans Land Act which will take considerable time in this committee and also, I expect, in the house.

The Legion's brief makes certain recommendations regarding changes in this Act. These recommendations will be before the committee when it is submitted to you. I will not anticipate for you the other recommendations in the Legion's brief. They mostly, I think, have to do with the Pension Act and the War Veterans Allowance Act.

I might tell you, as I told the president of the Canadian Legion when he visited our office, that it is not our intention to make any amendments this year to the Pension Act. We plan to have it before us at the next session of parliament, at which time we will go very thoroughly into all phases of it.

I do not think there is anything further I have to say this morning. I am very sorry my good friend Major General Gunn is not here with us. We miss him very much. He has attended a good many of our meetings. I told you (Mr. Harpham) I was afraid I might not be able to hear your presentation but you said you hoped I would read it. I want to assure you I will not only read it once but probably a number of times, and that I will digest it and pick out all the good things in it. I can assure you of that. Also, if I can get back while you are presenting your brief, I will do so. I welcome all of you here both from the Canadian Legion and the Canadian Corps. I know this committee will give your briefs serious consideration.

Thank you, gentlemen.

Mr. WEICHEL: Mr. Chairman, I might add that I think many of the members who are not here this morning are western members who have gone home for the Easter holidays.

Mr. HERRIDGE: I had booked my bedroom on the train to go home on Sunday but when I heard these comrades were attending I decided to stay.

Mr. BROOKS: You have always been very faithful in your attendance.

The CHAIRMAN: If there are no further "true confessions" we will proceed with the brief. Our time is limited to two hours today. Therefore the discussion arising from the presentations will be pretty well restricted to points of clarification at this time.

The Canadian Corps have indicated a willingness, if we wish, to carry on the discussion further at a later date. The Legion, of course, always have representatives in the city of Ottawa. I think the committee understands the special problem we have today. It is private member's day in the House of Commons and most of us have other duties in the house this afternoon.

Without further ado, the Canadian Corps will present their brief first. Mr. Stanley Harpham, the president, will read the brief. Everyone has a copy I believe.

Mr. Stanley HARPHAM: (*President, Canadian Corps Association, Dominion Command*): Mr. Chairman, and gentlemen: may I take this opportunity to thank you, Mr. Dinsdale, and the members of your committee, for your kindness in permitting Mr. Heesaker and myself to be here today. I must apologize for not being here a week ago when you originally scheduled the Canadian Corps Association's presentation, but an important previous business commitment made it impossible.

Resolution No. 1

Be it resolved that the war veterans allowance be increased to the extent of $33\frac{1}{3}\%$ (thirty-three and one third per cent), for married and single recipients.

Resolution No. 2

Be it resolved that the present war veterans allowance' permissible income of male and female recipients and orphans, be increased as follows: for single recipients from \$1,080.00 per annum to \$1,440.00; for married recipients from \$1,740.00 per annum to \$2,000.00.

I would like to make one comment before going on to the next resolution.

During the past 10 years in addition to my work for the Canadian Corps Association I served as a trustee of the Ontario canteen fund of World War I. May I say that 75 per cent of the applications for assistance that we receive

come from recipients of war veterans allowance, and they are directed to us by the Department of Veterans Affairs in a great many cases.

In our opinion there is no latitude under the present war veterans allowance for any unforeseen emergencies, such as the normal replacement of household goods and services as they arise, for major household repairs, or for the higher education of dependent children.

May I cite a few typical cases coming to our attention in the Ontario canteen fund almost daily. I would like to cite one or two. I do not want to take up a lot of time.

There was an application from a man at Ingleside, Ontario involving a hospital account for \$371. We turned that over to the municipality. There was also a doctor's bill for \$188. The Ontario canteen fund paid that bill.

Another was the case of a widow receiving \$90 a month. She is paying \$25 monthly on a new gas furnace. Hydro threatened to suspend service if her house was not rewired at once. That work was done and it cost \$175. The Ontario canteen fund authorized the rewiring and paid the account.

Another case was that of the wife of a Michipicoten Harbour veteran who was found to be in need of an eye operation. The canteen fund underwrote that operation.

Our good friends from the Legion are here today. Here is a case of a chap in the Canadian Legion. He incurred a bank loan for \$900 when conducting a small insurance business. He was taken seriously ill and it was diagnosed as advanced pulmonary tuberculosis. He was forced to give up his business. The bank was pressing him for payment. We went, not to the local manager but to the general manager of the bank, and laid the case on his desk, asking him if he could do anything. He reduced the debt; to 600 dollars, the canteen fund paid \$400, and the Canadian Legion contributed \$200. The veteran was most appreciative of the assistance that the fund had been able to give him. He said: "This account was the greatest worry to me for many years and was becoming a nightmare. Your job must give you a great deal of pleasure on many occasions."

Another case was that of a veteran who was in active legal practice but was struck down with illness, and was threatened with suspension by the law society if his fees were not paid. We paid his fees. He said: "Your friendly consideration not only helps me but makes me feel better in every way. Again my heartfelt thanks."

I could go on and on with all these cases where the Ontario canteen fund has undertaken to give real assistance to those on war veterans allowance, when there was nothing that could be done out of the assistance fund for a great many of them.

I would like to draw your attention, gentlemen, to the annual report of the poppy fund in Toronto. Looking over the report you will find that 1,179 cases were referred to the poppy fund by the Department of Veterans Affairs. Again, these were not possible of assistance under the war veterans allowance.

Resolution No. 3

Be it resolved that the Pensionable Award granted to the disability pensioner, under the jurisdiction of the Canadian Pension Commission, be increased to the extent of 33 $\frac{1}{3}$ % (thirty-three and one third per cent), across the board.

I was reading what happened when the war amputees were here. We do endorse their application. We feel that the pensioner is not in as good position financially as the unskilled labourer. His standard of living is not as good.

We read with considerable interest the discussion in your proceedings on March 19 regarding sections 20, 21, and 22 of the Pension Act. Mr. Lalonde

will probably recall that when we were here in 1957 and appeared before Mr. Lapointe, sections 20, 21 and 22 came up, and also the recommendation regarding the widow's pension under the Pension Act, which was to be exempt from succession duty.

It was our understanding that that wording would be written in when this new succession duties act was being drafted, and that those recommendations regarding sections 20, 21 and 22 and our recommendation number five would be taken care of. I do not know if you will recall that, Mr. Lalonde?

Mr. LUCIEN LALONDE (*Deputy Minister of Veterans Affairs*): That would be a matter for the pension commission, not for me, Mr. Chairman.

Mr. HARPHAM: I meant the chairman of the pension commission who was there at that time, Brigadier Melville. He is not here now. I wondered if we were definitely promised that these things would be looked after, and also with respect to our recommendation number five, and that the necessary legislation would be passed to provide that where a pension is payable to a widow under the Pension Act, the same would be exempt from consideration under the Dominion Succession Duty Act.

As I read from a brief respecting the Dominion Succession Duty Act which is chapter 89 Revised Statutes of Canada, 1952:

The present practice under the Succession Duty Act is such that the capitalized value of the widow's pension is taken into consideration as to whether or not the whole estate of the pensioner is subject to succession duties. Parliament in its wisdom and gratitude has seen fit to make it the law that pensions payable under the Pension Act are not subject to income tax. We feel that it is the wish of parliament and the people of Canada that the same principle be applied under the Succession Duty Act.

Resolution No. 4

Whereas since 1947, representations have been made requesting compensation for maltreatment and forced slave labour by former prisoners-of-war held in Japanese prison camps.

When the Hong Kong pensioners were here, we sent a telegram endorsing their brief. We must not forget the horror and hardships which these men suffered. Canada can afford to be generous with those men who suffered so much from a cruel and merciless enemy. Let us not forget the circumstances.

These men went out on very short notice and in order to bring the regiments up to strength. Chaps were brought out from Borden who had had little basic training. The equipment did not go with them when they went, and they had little time in which to acclimatize themselves before the enemy was upon them.

I submit that the Hong Kong veterans deserve all the attention that you can give them, and we should keep in mind that in the United States the veterans there have received \$1 for maltreatment, and \$1.50 for slave labour, while so far nothing has been granted in Canada for forced slave labour.

And whereas the Prime Minister, the Secretary of State, the Minister of Finance and the Minister of Veterans Affairs, are fully aware of these claims, but no action has been taken to finalize payment.

And whereas the war claims commission in Ottawa is still holding approximately five million dollars enemy war assets and any payment made to former prisoners-of-war would not be at the expense of the Canadian government but paid out of enemy assets;

Therefore be it resolved that the cabinet ministers concerned be requested to take immediate action in this matter and that the war claims regulations be amended to permit full payment of a \$1.50 per day, compensation for forced

slave labour for every day Canadian soldiers were held in prison camp by the Japanese, thus complying with international law and comparing favourably with action taken in other allied nations on the payment of war claims.

Resolution No. 5

Be it resolved that War Veterans Allowance Act be amended to grant eligibility to ex-service women, who served in World War II, of single status or widowed, without domestic support, or self maintenance who, although with every willingness volunteered for theatre of war service, were not called to such service, and now have reached the age of 55 years.

Comment

A very small percentage of women who served in the armed forces of Canada were assigned to overseas service in World War II, although all offered unlimited service. There was a marked difference between the service man in World War II proceeding overseas, who had no choice, providing he was physically fit, and the system concerning overseas service for women. A quota was established for service women and very few were so assigned.

War veterans allowance district authorities could examine each applicant's circumstances in respect of the need, according to the regulations. Perhaps Mr. Heesaker will take over for a while.

Mr. E. V. HEESAHER (*Dominion Treasurer, Canadian Corps Association, Dominion Command*): Mr. Chairman and gentlemen, with your permission I would like to say just one word about resolution No. 4 before I proceed with resolution No. 5.

The veterans charter, states in part: Canada has brought forth legislation for veterans which is surpassed by no other nation. Let us not have any other nation surpassing anything that Canada can do for the Hong Kong veterans.

Resolution No. 6

Be it resolved that the disability pension being paid at time of death of the pensioner be continued to the widow until her death or remarriage, and the children while they are attending school, in cases where they are not otherwise provided for under the Pension Act.

Comments

With reference to the childless dependent of a deceased pensioner she does not receive any part of such pension, if the award, in percentage is less than 50 per cent. Why this provision in the regulations was created is answerable only by the Department of Veterans Affairs, or the Canadian Pension Commission. The dependent under the age of 55, female, must depend upon the marketable condition of employment, which during the past two years has been changing constantly. If she is of the age ceiling of war veterans allowance (55), a question of robbing "Peter to pay Paul" arises from one department treasury to another of the government. We also bring to your attention that the pensioner would not have been awarded the pension had not the commission judged such as awardable.

We therefore recommend that an amendment to the Canadian Pension Act be legislated whereby the pension of the deceased pensioner shall be awarded, transferred or granted to the dependent until death or re-marriage.

Resolution No. 7

Be it resolved that the Department of National Defence, direct or arrange with the Department of Veterans Affairs, to grant treatment longer than a period of one year for ex-permanent forces' personnel, and until the disability has been completely treated.

Comments

This resolution results from an enquiry to the Minister of National Defence in February, 1958, requesting that post-discharge treatment where required by terminated members of the ex-permanent forces of Canada, should be extended for more than one year after discharge—one year now being the limit of time set by National Defence regulations.

If any disability occurs during the service and a pensionable award is granted by the Canadian Pension Commission then the treatment is granted indefinitely.

We recommend that where treatment is indicated, without pensionable award, by the Department of Veterans Affairs, and so conveyed to the Department of National Defence, the Department of National Defence should be in full agreement.

Mr. HEESAKER: To continue:

Resolution No. 8

Be it resolved that an identification card be issued to every disability pensioner, and war veterans allowance recipient, such card to contain only the pertinent particulars required for identification.

Comments

The need has been prevalent through the years for an identification card to be issued to all "wards" of the federal government, irrespective of the fear by the government of abuse, loss or illegal possession. The disability pensioner, war veterans allowance recipient and old age security pensioner, become "wards" of the government when maintained financially. For administrative purposes he or she must identify themselves when appearing for an interview and also constantly when cashing their pension cheques, and the value of such identification card would be extensive.

Several cases have come to the attention of the Canadian corps association where the pensioner has been involved in an accident, heart attack, lapse of memory, etc. which has resulted in a search for the next of kin. Also we of the Canadian corps have noted that when such a pensioner presents his or her cheque for cashing at the bank many are confronted with almost abuse when they cannot show the type of identification which the bank requires when cashing cheques for those without bank accounts in the branch cashing the cheque. All this could be avoided if each pensioner was issued a government identification card.

The residents in the homes for the aged follow the practice of having the identification sewn in the clothing of each resident, therefore observing and protecting the aged in that manner.

The percentage of loss of identification cards has been found to be less than 1 per cent per annum in connection with those who already carry such cards, i.e. the blind, etc.

The Canadian corps association strongly recommends that identification cards be issued by the government to war veterans allowance recipients, disability pensioners and old age security pensioners.

Mr. Harpham will take over for a moment now.

Mr. HARPHAM: Continuing with the presentation:

Resolution No. 9

Be it resolved that the section of the Canadian Pension Commission Act dealing with the provision of granting an allowance to parents who have lost a son or daughter in action, during active service, in its qualifications of need creating a means test, be revised and reviewed, to the extent of removing such means test entirely.

Comments

The loss of a son or daughter, or other dependent, of the serving service man or woman, during any conflict of war, is the utmost sacrifice known, yet the Canadian pension commission will award, because of that loss, for example to the widow, with or without children, 100 per cent award, without any means test as to excess earnings above the degree of pension, and yet levy a "means test" upon the parent or parents of a son or daughter, who has given the supreme sacrifice in a similar manner, and granting to the parent where the discretion of the commission has been favourable, a less award, and none to the parent where upon the investigation by the D.V.A. reveals an income which in their opinion, (the D.V.A.'s), is adequate.

We therefore recommend that section 34, subsections 3 and 4, which contains the "means test" and decrees "at the discretion of the commission", shall be forthwith absolved, and the dependent parent or parents be treated in the same favourable extent as the wife who is subjected to no means test for the same comparable loss.

Gentlemen, I recall in 1944 when the government was dealing with the question of gratuities for veterans of the second world war it was going to be laid down at that time that gratuities of men killed in action, that is single men who had no dependents, should revert to the treasury. At that time our association protested very strongly. I have a copy of an article which we submitted to the Canadian Press at that time. This article drew tremendous comment from the Canadian people. Here were these young lads, many of them brought up during the depression. Their parents had educated them, and possibly they were led to believe that in later life these young men would be of some assistance to them. They were killed in action and the government of Canada proceeded to take the gratuity away. Now we find that some of these people find themselves in need. We do not think there should be any means test of any kind regarding the parents of these lads who were killed in action.

Mr. HEESAKER: To continue:

Resolution No. 10

Resolved that, section 30, subsection 8 of the War Veterans Allowance Act, which defines the meaning of "actual war" and the "theatre" of such, be amended, in so far as paragraph (b) (i) in the case of world war allied veterans who served in the army or air force and, where stationed for the same period, the royal navy: to conform with, in content and application subsection (b) of section 30 which reads: "Who served in the United Kingdom during World War I for at least three hundred and sixty-five days prior to the 12th day of November, 1918.

Comments

Owing to British army order 391, of the year 1922, the allied veteran who served with His Majesty's Forces during World War I in the zones so

described in subsection 8 (b) (i and ii) applying to the continents of Asia or Africa, in particular the North West Frontiers of India and Afghanistan, is not eligible to receive war veterans allowance because the zones, as mentioned, were not considered by that army order and are not so considered by the war veterans allowance district authorities and board to be "an actual theatre of war", as defined in army order 391, 1922, issued by the British war office, London, England. We therefore, recommend that the veterans now domiciled in Canada for at least ten years, who served during World War I in the navy, army and air force in the territory so named, heretofore and above mentioned, become eligible to the same provisions as contained in section 3, subsection (b) of section 30 of the War Veterans Allowance Act, the definition as contained in the body of the resolution.

As of November 1, 1958, the Canadian veteran who was stationed in England for a period of not less than 365 days, is now entitled to war vet's allowance. We therefore recommend that the allied veteran, who was stationed on the north west frontiers of India and Afghanistan, and 365 days in England, be granted the same benefit as the Canadian veteran.

Mr. HARPAM: Continuing the brief:

Resolution No. 11

Be it resolved that referring to section 70 of the Canadian Pension Act, that the Canadian corps association make strong representation to the Canadian Pension Commission through the standing Committee on Veterans Affairs, re the benefit of doubt clause, to the end that the benefits intended by this very important section be applied in every case coming before the pension commission.

Comments

Section 70 of the Canadian Pension Act states that on any application for pension, the applicant is entitled to the benefit of the doubt, which means that it is not necessary for him to adduce conclusive proof of his right to the pension applied for.

The Canadian corps association has discovered in two specific instances where the benefit of the doubt could have been given without the necessity of a second, third and appeal hearing of the cases in question, by the adjudicating body of the Canadian Pension Commission, whose opinion, despite the right of the applicant, has prevailed in awarding a decision. This body, according to the section, shall draw from all the circumstances of the case, the evidence adduced, and medical opinions, all reasonable inferences and presumptions, in favour of the applicant. Invariably the condition of the applicants case is ruled upon as pre-enlistment cause, or not attributable to service, yet a complication later arising as a result of his service, which became apparent to the independent examining doctor, has not received the benefit of the doubt.

We therefore recommend a more consistent application of the benefit of the doubt than has heretofore been applied.

I would like to add that one of the many activities of the canteen fund is providing independent medical opinion in regard to applicants applying for pensions or review of pensions. During the past year we provided funds for sixteen such cases and some of them were successful. May we remind the Canadian pension commission that some of these cases had been rejected prior to these further applications being submitted, based on independent medical opinions. Gentlemen, we have had some success in doing this and we wonder whether that is actually the function of the canteen fund. In other words, we can go to a doctor on the advice of your advocates and secure information which we think will help to win these cases. We have been very successful on some of them.

Mr. HEESAHER: Continuing with the brief:

Resolution No. 12

Be it resolved that an amendment to section 6-1, subsection (d) of the War Veterans Allowance Act, relating to exempt income be considered in favour of exempting as income, the first \$50 of such qualified pensions as industrial, disability and superannuation, providing the pension does not exceed \$100 per month.

Comments

Section 6—1 sub-section D exempts casual earnings, amongst exempt income, such earnings having a ceiling of \$50 a month. The percentage of recipients in the male category of war veterans allowance engaged in working casually are minor in number, nevertheless the ceiling is established. Disability, industrial and superannuation pensions constitute an earned award, the two latter type being contributable during the working life of the applicant or recipient. We are not unmindful of the fact that war veterans allowance is paid solely by the government, but, again, the earned value of the three types of pension in question, should not, we feel, be a complete deduction from the maximum of war veterans allowance. Therefore, we strongly recommend, that the first \$50 of disability, industrial or superannuation pension shall be exempt from income, under the aforementioned section of the War Veterans Allowance Act, and that such section should be so amended.

Mr. HARPAM: To continue:

Resolution No. 13

Be it resolved that the amount applied, according to the regulations of the war veterans assistance fund, should be reviewed and based on a determined sliding scale, where the circumstances warrant, particularly to the incapacitated widow, from the sum of \$120 to \$500 per annum.

The reason we want this is that we are dealing with Ontario, and I can speak only of that. We are dealing with a number of widows who are living on veterans allowance, and there is not anything in there to provide them with some of the things required in their homes,—for example, something in the way of appliances, gas furnaces, heating units and things of that kind. As I see it, there is nothing that can be done unless we do something to raise this assistance fund to assist that kind of people.

The maximum allowed to any recipient by the district authority, from the assistance fund is \$120 per annum, payable usually on a monthly basis. This the Canadian corps association has found to be inadequate in the individual cases of need, particularly amongst the widow recipients, who do not receive the same hospital and medical benefits as the veteran war veterans allowance recipient. In addition, the cost of provincial hospital coverage, enacted in Ontario for example, on January 1, 1959, must be paid on an individual basis by such widow if she wishes that coverage, amounting to \$2.10 per month minimum, thus actually reducing the maximum of \$70 a month to \$67.90 per month, whether any grant is made from the assistance fund or not. Also the married veteran war veterans allowance recipient must pay his dependents hospital coverage from his allowance, thus reducing his allowance considerably.

The majority of single status recipients of war veterans allowance are totally dependent upon the maximum of war veterans allowance, which in the respect of medical and hospital expense is creating a severe hardship upon them.

The Canadian corps association therefore recommend, that the ceiling of the assistance fund of \$120 per annum, be increased, on a sliding scale, to the

maximum of \$500 per annum, to embrace the single recipient, on an individual basis, and all who are now covered under the respective provincial hospital plans, at their own war veterans allowance' expense.

Resolution No. 14

Be it resolved that the standing Committee on Veterans Affairs recommend the amendment of the World War I service requirement for war veterans allowance in order that the first war veterans will qualify on exactly the same basis as the veterans of World War II, abolishing the present requirement of 365 days in the United Kingdom prior to November 12, 1918, for veterans of World War I.

Gentlemen, in 1957 when we appeared before the minister we were assured that something would be done, and it was done; but it was not done as we thought it might be and we feel that there is still some hardship being created, because some of these men did valiant service in England and are being penalized.

The point was raised by the minister, and I thought it was a good one: Did we want those who were conscripted in World War I to become recipients of veterans allowance? I do not think that is the point. However, they served in Britain, the same as the men in World War II, and I think they are entitled to that consideration. Already quite a number of cases have come up of men who were in England less than 12 months and yet did good service to Canada.

Mr. HEESAKER:

Resolution No. 15

Be it resolved that at least three months notice by mail be given to a pensioner prior to dependent children reaching the "ceiling age" of 16 for boys and 17 for girls, and that said notice communicate to the pension recipient that continuance of the child's allowance is permissible if dependent is still going to school upon completion of a special form obtainable from the D.V.A. by the pensioner.

Comments

It has been brought to the attention of the Canadian corps association that pensioners are receiving as little as four days notice of the termination of a dependent child's allowance, and the termination notices does not include any advice that if the child is still in school that allowance will be re-instated upon certification that schooling is being continued.

In the example to hand, had the pensioner not been a member of a Veterans' organization and a reader of Torch Magazine, he doubts if he would have found out that if he applied to the D.V.A. a form was available that he could complete and have certified at his child's school, which would result in the allowance being continued.

As thousands of veterans are unfortunately not members of a national organization, and do not have bulletins and magazines sent to them reviewing veterans' entitlement, we wonder how many pensioners have missed the opportunity of the allowance being re-instated for qualifying dependent children because the Department of Veterans Affairs has not informed the veteran of their possible entitlement by mail at least three months in advance of proposed dependent termination?

Mr. HARPAM: Mr. Chairman and Gentlemen:—

On behalf of the Canadian Corps Association, Dominion Command, Mr. Heesaker and I wish to express our sincere thanks for your kind and patient hearing of our brief of resolutions to you today.

We appreciate the fact that you are all ex-service men and that you represent Canada at large; you have represented Canada in battle, and you are now occupying an important place in the government of our country.

We will carry back to our organization, very pleasant memories of your considerate reception and the work your committee is doing on veterans affairs.

Thank you, gentlemen.

The CHAIRMAN: Thank you, Mr. Harpham. A good many members of the committee are newcomers to parliament since the recent events of 1957 and 1958, and I am sure they will agree with me that very helpful information has been brought forward in your brief.

The problem of discussion arises here. We have the limitation of time. There is opportunity for brief comments as to how we should proceed on this particular brief and from this point on. Have we any comments?

Mr. HERRIDGE: Mr. Chairman, I suggest that, in order to keep the evidence and the questions in order in the record, we should complete this brief with questions from members of the committee to the witnesses so that we can clear up any points we wish explained.

I suggest that we will have to meet this afternoon in connection with the Legion delegates, because this is too important a matter, in both cases, to hurry over.

The CHAIRMAN: Mr. Herridge, the problem there is that it is private members' day in the House of Commons. If it is necessary to have further discussion, I think the only solution is to have the representatives back at a later time, when we can carry on any necessary discussion.

Mr. HARPHAM: We will be very happy to come back, Mr. Dinsdale. We do not want to hurry. We realize the Canadian Legion have their briefs to present. We have one hour left, and we have had our say. We are quite willing to come back and answer any questions that you would like to direct to us.

Mr. WINKLER: Mr. Chairman, if you are going to consider the suggestion of Mr. Herridge, then I think questions are in order. If not, I would suggest we proceed immediately with the Legion brief and take the balance of the time either by discussion of the brief heard, or the Canadian Legion brief, and call one of the groups back.

Mr. LENNARD: I do not see the advantage of calling men back who have to come to Ottawa. I think probably the committee is at fault in having too much material here, too much ammunition, for this meeting.

I think the corps association should be questioned and finished with before we proceed to hear the Legion brief because, as you yourself have said, the Legion officers are here in Ottawa and it is a different problem for them; they can attend on another occasion, if necessary.

The CHAIRMAN: The problem, as I indicated, Mr. Lennard, is that we have had to juggle dates. The Canadian corps could not appear last week, as was originally scheduled, and we thought we would—

Mr. LENNARD: That was not their fault, was it?

The CHAIRMAN: Yes; they declined.

Mr. LENNARD: I thought we cancelled the meeting.

The CHAIRMAN: No, that was the Thursday meeting. The reason for having the briefs presented this morning was to get the information before us. Both these briefs—I think you have had advance copies of the presentation from the Legion—cover a very wide territory, and if complete discussion is to be allowed it would take more than one day in any case.

We have got to come to some reasonable compromise here. The Canadian corps has expressed their desire to cooperate with us, and we appreciate that

gesture, Mr. Harpham. We have heard Mr. Winkler's suggestion. If it is the wish of the committee, we can now proceed to hear the Legion presentation.

Mr. WEICHEL: Mr. Chairman, I would like to second Mr. Winkler's motion, because I believe that perhaps the Canadian corps could come back easier than the Canadian Legion. I see the Canadian Legion has a large delegation here.

Mr. HERRIDGE: If we hear the Legion brief now, that would be acceptable. But for the sake of the record and the convenience of the Canadian Corps, could we not have two hours this afternoon?

This is private members' day, but it is a resolution on a bill somewhere down in eastern Canada—

Mr. O'LEARY: Very important.

Mr. HERRIDGE: —that is of direct concern to a limited number of members. I am sure that most of us could be here. It is not a subject of national importance.

The CHAIRMAN: Before we interject into the discussion the importance of the private member's bill, can we proceed to hear the Legion presentation?

The Legion is represented by the Dominion President, Mr. Burgess. You have a substantial group of supporters here, Mr. Burgess, and I think perhaps it would be best if you carried out the necessary introductions. I am afraid I would become bogged down half way through.

I should point out to members that you have a representative here from each provincial area and I hope you will go out of your way to meet him and welcome him to the committee when we have concluded our deliberations this morning.

Mr. D. L. BURGESS: (*Dominion President, Canadian Legion*): Mr. Chairman, and members of the committee, as you stated earlier, we are having a conference here in Ottawa and we have representatives from all our ten commands. I think I am being fair in saying that they are the most important cogs in the wheel of the Legion in all the provinces throughout Canada and I would like to introduce them to you, together with the members from the dominion command staff. I am going to ask them to stand when their names are called. I am sure there are members here who must be acquainted with all of them. While you come from the province from which some of these men come, it may be that your seat is not in Regina or Winnipeg or Saint John and you will not have had the privilege of meeting them. You may want to do so.

I will start with our Dominion Secretary, Mr. T. D. Anderson, who has been here before and who is acquainted with most of you. Then there is Mr. "Don" Thompson, the director of the service bureau, Dominion Command; Mr. Murray MacFarlane, also of the service bureau. Going down along the line we have "Norm" Shannon, our public relations officer, and Lorne Manchester, the associate editor of the *Legionary*.

Then we have Linton MacDonald of Region, Saskatchewan command; "Bob" Blackwell from Winnipeg, Manitoba, Northwestern Ontario command. Behind him is David Fraser of Calgary, Alberta command; Keith Woolley of Montreal, Quebec command; Mr. S. D. Rhodenizer of Saint John, New Brunswick command; Allistair MacKinnon of Halifax, Nova Scotia command. Behind is "Ron." Martin from St. John's, Newfoundland command; "Pat." Biggs from Toronto, Ontario command and "Jimmy" Walker from Charlottetown, Prince Edward Island command. Then there is Duncan MacLennan from Vancouver, B.C. and Northwestern U.S. command, and "Tom" Kines, who is the director of administration at dominion command.

Once again, Mr. Chairman, we thank you for the opportunity to appear before you on this occasion and present our views on certain items of legislation which have been referred to you. It is our view that successive parliamentary committees have down through the years done much to improve

veterans' legislation and therefore the lot of Canada's ex-service men and women. We know that the present committee will add to the good work of its predecessors, and I endorse what Mr. Brooks, the minister, said, that parliamentary committees, special committees of former years, and the standing committee now, have been very popular with veterans.

We have some suggestions to make to you and I have confidence in the thoroughness, understanding and justice with which you will deal with these things. We are very hopeful and expectant, of course, that you will wish to retain the reputation that the minister says you have—and you know what I mean by that.

We would rather you had time to consider these various points, so I am not going to read them all. But I will first deal with the two bills that have been referred to the committee. First there is the bill—

The CHAIRMAN: Mr. Burgess, those have not been before us as yet, so you could—

Mr. BURGESS: From our point of view it would be satisfactory to make our points at this time. These may come up before you at some time when we are not here, and for that reason I thought I would cover them now.

The CHAIRMAN: If that is your wish it will be in order. Then when this committee is actually dealing with the bills we could have you back for further comments at that time.

Mr. BURGESS:

Bill C31—An act to amend the Veterans' Rehabilitation Act

Having carefully considered the terms of Bill C31, we believe that none of the proposals contained therein tend in any way to reduce or abolish any benefits which are now or are likely to become available to veterans. The bill appears only to delete those sections of the Veterans' Rehabilitation Act which are either no longer applicable or which are provided for in other legislation or regulations.

We would ask, however, the assurance of the government that no veteran eligible for and entitled to training benefits under the present Veterans' Rehabilitation Act shall be denied such benefits by reason of the amendments proposed to Bill C31. We have in mind particularly the veterans who may have been confined for many years in a D.V.A. hospital following discharge from the forces and who may not at the termination of his period of hospitalization be pensionable due to war disability. Should such cases arise, and should the veterans concerned seek training, we are of the opinion that the training should be provided. We are not sure that the Department of Veterans' Affairs Act provides for training in such cases at present.

BILL C32—An act to amend the War Services Grants Act

We would like to commend the government for broadening the terms governing the use of re-establishment credits, as provided in this bill. The amendments to the act will be of great benefit to some veterans and their dependents.

We would like to suggest, however, two additional amendments, as follows:

1. That veterans who are still unmarried and have as yet been unable to avail themselves of the use of the credit be now permitted to use the re-establishment credit for the purchase of such items as clothing and personal effects, the payment of medical expenses and the payment of debts incurred for purchase of allowable items which could have been made from the re-establishment credit.

We are convinced that a very large proportion of the re-establishment credit which has not been used to date is credited to unmarried veterans who have been unable to find a use for it within the existing regulations. Also many unfamiliar with the regulations may well have made purchases out of other revenues when, in fact, the credit could have been used.

2. That V.L.A. settlers, particularly those with long periods of overseas service during World War II and the Korean war, be permitted to make use of re-establishment credits after they have fulfilled the terms of their V.L.A. contract.

With regard to the loss of re-establishment credit on the part of those who settle under V.L.A., it should be pointed out that the man with the longest period of overseas service forfeits the most in such cases. We feel that it is not proper that this should be so.

We realize this is something which the minister said would come down in a bill at a later date.

In respect of the brief, when the question of our submission was discussed with you, Mr. Chairman, you will recall you suggested that a general submission might well be placed before this committee for consideration. We accordingly welcome the opportunity to do so at this time.

Pensions is the first item and I recall the minister saying that this bill would be up for amendment next year. Nevertheless, I think we should discuss the brief at this time since pensions are among the most important and lengthy items in our brief and there are several items in connection with it.

The Legion brief presented in November, 1956 asked for a 33½ per cent increase in all pensions paid under the Canadian Pension Act. The government, as announced by the Minister of Finance on March 14, 1957 authorized certain increases in disability pensions to become effective July 1, 1957. These varied considerably with the different categories but in no case was there an increase of more than twenty per cent. In our brief we have set forth a table outlining the rates prior to July 1, 1957, the increased rate effective that date, the percentage of the increase granted and the Legion's recommended rate. It is particularly noted that no increase was granted for children.

Since our original submission the wage index has increased from 141.7 in 1955 to 157.6 in 1957. In the light of these facts the increases granted were not adequate and we would ask for an increase of 33½ per cent across the board over the 1956 rates.

This request is based on a comparison of pensions and wage increases with wage rates as indicative of the standard of living. We recognize that the term "standard of living" as applied to the population of Canada is a somewhat vague and undefined term, but for the purposes of our discussion we are equating it with the income level of comparable groups.

We have compiled tables which illustrate the manner in which disability pension rates have lagged behind wage rates in the armed forces, the civil service and industry. Exact comparison is impossible because pensions vary with marital status and size of family, factors which, except in the case of the armed forces, have no influence on remuneration received from employment.

Historically, the scale of pensions was related to the common labour market. Some examples from our tables show that this is no longer the case and that pension rates have failed to keep pace with the salaries and wages paid in the forces, the civil service and industry. One good example of this point is found when we look at the position of cleaner and helper, one of the lower paid brackets in the civil service, who received \$300 less than a married 100 per cent pensioner in 1920. Today, such a worker receives \$510 more. His wages have increased over 223 per cent, the married pensioner's rate only 100 per cent.

The table also shows that a private soldier with sixteen month's service and no previous experience would, if married, now receive \$2,928 per annum as compared with \$2,400 for a 100 per cent disability married pensioner.

The wage index reflecting the rates paid workers in industry shows that since 1920 the index has risen from 52.3 to 149.4 in 1956, showing an increase of approximately 185 per cent, whilst in the same period the rate for a married 100 per cent pensioner has risen only 100 per cent.

There is no question but that the standard of living as illustrated in these groups has permanently improved. We submit that with due regard to all the difficulties of exact comparison, these figures indicate the necessity of an upward revision of the pension rates. This should be at least 33½ per cent over the 1956 rates in order to bring them more into line with the substantial increase in general wage rates in recent years.

The Canadian Legion therefore recommends—

That the rates payable under Schedules "A" and "B" of the Canadian Pension Act, as of June 30, 1957 be increased by 33½ per cent.

We have a number of other matters concerning pensions, war veterans allowance, treatment, children of war dead, which we feel are important, and we have set forth our detailed views and recommendations concerning them.

In regard to war veterans' allowance, on pages 27, 28 and 29 you will note that we have reiterated our request for increases in the rates and ceilings. We honestly believe that considering the present standard of living in Canada our requests are modest.

There are two items in connection with treatment provisions on pages 32 and 33. In this connection we urge early action to provide adequate D.V.A. treatment facilities for our Newfoundland veterans.

On pages 33 and 34 we refer to civil service as it affects veterans. We particularly want to stress our request for the continuation of the veterans' preference in the civil service.

The important subject of Veterans' Land Act is dealt with on pages 35 and 36. We believe that the time has now arrived to broaden the excellent services to improve the farming standards of both veterans and civilians. Such a move would most certainly yield rich benefits for Canada.

The Children of War Dead (Educational Assistance) Act is referred to on pages 37 to 40. Our views were stated before the standing parliamentary Committee on Veterans Affairs in August, when this act was under revision. We regret very much that not one of our recommendations was implemented. We hope that the recommendations presented at this time will receive more favourable consideration.

We desire to stress that these matters which we bring before you are of great importance to Canada's veterans and their dependents. We would ask that the committee consider separately each item contained in the brief and we will be glad to have a representative of the Legion present at all times in order to answer questions when the items are under consideration.

One of our officers, the director of the service bureau, will be in Ottawa and will be able to meet at your convenience whenever the committee wishes to sit.

In conclusion we would like to say that according to our understanding of the terms of reference of the standing committee, the committee can make recommendations to the house only on those matters referred to it by the house. We nevertheless feel that a careful study of the brief, which was sent to you in advance, by all members of the committee will ensure that a proportion of the members of parliament are thoroughly familiar with the Canadian Legion's requests on behalf of Canada's veterans.

The CHAIRMAN: Perhaps it would be helpful for the committee if we agreed to have the brief in its entirety printed in the minutes of proceedings and evidence. Mr. Burgess is giving the highlights. Could we agree to have the entire brief included in the minutes?

Agreed.

INTRODUCTION

Mr. Chairman and members of the parliamentary committee: in presenting this brief we do so with a feeling of gratitude, to this and previous committees on Veterans Affairs, for the good work which has been accomplished on behalf of veterans and their dependents by such committees over the years.

We would ask that in considering the problems of Canada's veterans, the committee keep always in mind the all important question of the value of the veteran's dollar in terms of real income. Living costs, including maintenance, clothing and children's education, continue to rise and cannot be adequately met with present allowances.

PENSIONS

1. Increase in rates

The Legion brief presented in November, 1956, asked for a 33½ per cent increase in all pensions paid under the Canadian Pension Act. The government, as announced by the Minister of Finance on March 14, 1957, authorized certain increases in disability pensions to become effective 1st July, 1957. These varied considerably with the different categories but in no case was there an increase of more than 20 per cent. The following table outlines the rates:—

	Rate Prior to July 1/57	Rate Effective July 1/57	Percentage Increase Granted	Legion's Recom'd Rate
	\$	\$	%	\$
Single pensioner, 100 per cent disability.....	125.00	150.00	20	167.00
Additional Pension for wife.....	45.00	50.00	11.1	60.00
Total pension for married pensioner 100 per cent disability.....	170.00	200.00	17.6	227.00
Pensioned widow.....	100.00	115.00	15	133.00
Dependent parent, maximum award.....	75.00	90.00	20	133.00
Two dependent parents, maximum award.....	100.00	115.00	15	158.00
1st child.....	20.00	no change	Nil	27.00
2nd child.....	15.00	"	Nil	20.00
3rd child.....	12.00	"	Nil	16.00
Orphaned children (double above rates).....	—	"	Nil	—

It will be noted that no increase was granted for children.

Since our original submission the wage index has increased from 141.7 in 1955 to 157.6 in 1957. In the light of these facts the increases granted were not adequate and we would ask for an increase of 33½ per cent across the board over the 1956 rates.

This request is based on a comparison of pensions and wage increases with wage rates as indicative of the standard of living. We recognize that the term 'standard of living' as applied to the population of Canada is a somewhat

vague and undefined term, but for the purposes of our discussion we are equating it with the income level of comparable groups.

We have compiled the following tables which illustrate the manner in which disability pension rates have lagged behind wage rates in the armed forces, the civil service and industry. Exact comparison is impossible because pensions vary with marital status and size of family, factors which, except in the case of the armed forces, have no influence on remuneration received from employment.

A REVIEW OF DISABILITY PENSIONS AND OTHER RELATED RATES—W.W. I TO 1957

	1920	1939	1944	1947	1949	1951	1953	1955	1956	1957
DISABILITY PENSIONS (100%)										
Single Pensioner.	900	900	900	1128	1128	1500	1500	1500	1500	1800
Married Pensioner	1200	1200	1200	1500	1500	2040	2040	2040	2040	2400
Widow.....	720	720	720	900	900	1200	1200	1200	1200	1380
ARMY PAY AND SUBSISTENCE (Private Soldier)										
<i>Initial</i>										
Single.....	930.75	784.75	930.75	1344	1464	1776	1836	1836	1932	1980
Married.....	1130.75	1204.75	1377.15	1584	1824	2136	2196	2556	2652	2700
CIVIL SERVICE PAY										
Customs Guard (Max.).....	1260.00	1500.00	1620.00	1980	2220	2700	2910	2910	3210	3360
Cleaner and Helper (Max.).	900.00	1140.00	1200.00	1620	1920	2400	2580	2580	2760	2910
WAGE INDEX										
(Industrial Composite)	1920	1939	1944	1947	1949	1951	1953	1955	1956	1957
(1949=100).....	52.3	48.9	67.4	84.1	100.0	115.5	133.4	141.7	149.4	157.6

Historically, the scale of pensions was related to the common labour market. Some examples from the above tables show that this is no longer the case and that pension rates have failed to keep pace with the salaries and wages paid in the forces, the civil service and industry:—

- (1) Cleaner and helper, one of the lower paid brackets in the Civil Service received \$300 less than a married 100 per cent pensioner in 1920. Today such a worker receives \$510 more. His wages have increased over 223 per cent, the married pensioner's rate only 100 per cent.
- (2) It should be noted that the rates shown on the chart for a private soldier are those which apply to an untrained recruit on entry. He may after 4 months' service, if he reaches the required standard of

competency, get a further \$72 per annum; after an additional 12 months he may get another \$156 per annum. These increases are for the untrained soldier but do not take into account group pay for which tradesmen may be eligible. Thus a private soldier with sixteen months' service and no previous experience would, if married, get \$2,928 per annum as compared with \$2,400 for a 100 per cent disability married pensioner.

- (3) The wage index reflecting the rates paid workers in industry (logging, mining, manufacturing, trade, transportation, construction, light and power and personal services) shows that since 1920 the index has risen from 52.3 to 149.4 in 1956, which is an increase of approximately 185 per cent, whilst in the same period the rate for a married 100 per cent pensioner has risen only 100 per cent.

There is no question but that the standard of living as illustrated in these groups has permanently improved. We submit that with due regard to all the difficulties of exact comparison, these figures indicate the necessity of an upward revision of the pension rates. This should be at least $33\frac{1}{3}$ per cent over the 1956 rates in order to bring them more into line with the substantial increase in general wage rates in recent years.

The Canadian Legion therefore recommends—

That the rates payable under schedules "A" and "B" of the Canadian Pension Act as of June 30, 1957, be increased by $33\frac{1}{3}$ per cent.

2. Revised rates for dependent parents

Dependent parents did not benefit to any extent by the revision of pension rates in 1951. Previous to that date a widow, for example, received \$75 a month; a dependent widowed mother could receive up to \$75 a month. After the revision the widow received \$100—the maximum for the dependent widowed mother was still \$75.

After the revision in 1957 the widow received \$115 and the dependent parent \$90. We can see no reason for this discrimination.

The Canadian Legion therefore recommends—

That dependent parents' pension be restored to its former position whereby the rate for one parent was equal to the rate for a widow, with a more adequate additional amount than at present provided where there are two dependent parents.

3. Increase in pension to certain dependent parents—sections 38 (2) and (7)

At the present time the act provides that in cases where pension is being paid on account of a widow and children the dependent parent is limited to \$40 a month instead of the usual \$90. It has in recent years been the policy of the Pension Commission to grant the dependent parent the maximum rate when it has been established that the widow is remarried and providing that there are no children on whose behalf pension is being paid. If there is even one child still drawing pension, however, the dependent parent is restricted to the \$40 rate.

The Legion feels, in many instances, the dependent parent is able to live with the widow and children, but in the event of the widow remarrying, the dependent parent may be placed in a very difficult position and forced to find new accommodation which she can hardly do on \$40 a month. An increase to the full rate of a dependent parent would be of great assistance to those so affected.

The Canadian Legion therefore recommends—

That section 38 of the Pension Act be amended so that a dependent parent of a deceased member of the forces would become eligible for the maximum rate on the remarriage of the pensioned widow, even though pension is still being paid on account of a child or children of the deceased service man.

4. *Dependent parents' pension—effective date*

We realize that a certain period must elapse between the receipt of an application for dependent parents' pension and the actual decision awarding such a pension. We cannot, however, understand why the applicant must lose out when this period exceeds three months. The Pension Commission has refused to make the award of a dependent parents' pension or an increase in such an award already in payment retroactive more than three months, regardless of the length of delay.

The Canadian Legion therefore recommends—

That dependent parents' pension and increases in such pensions, when granted, be effective from the date of application.

5. *Special problems involving Newfoundland veterans*

It is quite clear that when the terms of union between Newfoundland and Canada were being negotiated the broad principle was accepted that Newfoundland veterans should be placed in a position of absolute equality with Canadian veterans. This is clearly demonstrated by section 38 of the terms of union which state:—

Canada will make available to Newfoundland veterans the following benefits, on the same basis as they are from time to time available to Canadian veterans, as if Newfoundland veterans had served in His Majesty's Canadian forces.

In the Veterans' Rehabilitation Act and in the War Veterans Allowance Act this broad principle is completely recognized and provided for as the following excerpts from these acts show:—

Veterans Rehabilitation Act—

"Section 6(1) For the purposes of sections 7, 8, 9 and 11, a Newfoundland veteran who has been discharged shall be deemed to be a veteran as defined in section 2.

(2) In this section the expression 'Newfoundland Veteran' means a person who served on active service,

- (a) in any of the naval or army forces of Newfoundland or having been recruited in Newfoundland in any of the naval, army, or air forces raised in Newfoundland by or on behalf of the United Kingdom; or
- (b) in any other naval, army or air forces of His Majesty and at the time of his enlistment therein was domiciled in Newfoundland; or
- (c) in any of the naval, army or air forces of the nations allied with His Majesty in active operations against the enemy in World War II, if he was domiciled in Newfoundland at the time of his enlistment therein and was domiciled and resident in Newfoundland within two years from the date of his discharge therefrom or the 8th day of May, 1945, whichever is the later."

War Veterans Allowance Act—

"Section 30(11) (a) for the purposes of this act,

- (a) the expression 'Canadian forces' includes any forces raised in Newfoundland and 'domicile in Canada' and 'residence in Canada' include respectively domicile and residence in Newfoundland, whether before or after the union of Newfoundland with Canada.

Under the Canadian Pension Act, however, the situation is somewhat different. The pertinent subsections of the Pension Act regarding the status of these Newfoundland veterans reads as follows:—

Canadian Pension Act—

"Section 13(5) for the purposes of sections 50, 51 and 52, domicile in Newfoundland shall be deemed to be domicile in Canada.

(6) A member of the naval or military forces of Newfoundland in World War I or World War II shall be deemed to be a member of the forces for the purposes of this section.

(7) A British subject resident and domiciled in Newfoundland at the time of enlistment who served in the naval, army or air forces of His Majesty or in any of the naval, army or air forces of any of the countries allied with His Majesty during World War II shall be deemed to be a member of the forces for the purposes of this section if the disability in respect of which the application is made is not pensionable by virtue of subsection (5) or (6)."

Although the majority of Newfoundland World War II veterans served in the forces of the United Kingdom, they served in units recruited and raised in Newfoundland with a pay supplementation by the Newfoundland government. Their identity was recognized and maintained, as far as practical, by grouping them in units such as the 59 (Newfoundland) Regiment, R.A., the 166 (Newfoundland) Regiment R.A., and the 125 (Newfoundland) Squadron R.A.F.

The present interpretation of section 13, subsections (5), (6) and (7) of the Pension Act pertaining to the status of Newfoundland veterans, discloses a departure from the broad principle of absolute equality as the following situations illustrate:—

- (i) The present supplementary provisions of the Canadian Pension Act fail to provide complete coverage even for those who, in the main, qualify for supplementation. Because of this a pensioner, or dependent, in receipt of supplementation who subsequently takes up residence outside of Canada loses the supplementation and reverts to British rates. The result is a harsh and discriminating situation in that a man wounded in action whose claim was granted by the British and supplemented by the Canadian Pension Commission loses the supplement if he leaves Canada. The same thing would be true as far as his widow is concerned. On the other hand, a man who did not leave Newfoundland during his service, or who was denied pension by the British, establishes his claim directly or by virtue of section 13(7), receives pension at Canadian rates as of right and can go anywhere in the world without loss. The same benefits are extended to his widow and dependents.
- (ii) A veteran who is granted a British award but assessed by the British at nil cannot benefit from the supplementary sections even though, by Canadian standards, he might have an assessable degree of disability. Because the British did not reject his claim he cannot make use of section 13(7) even though his claim might easily be established

under Canadian law and assessed under the Canadian table of disabilities. When we realize that had the British rejected his claim he might have been better off, this also appears to be a grossly unfair situation that the legislators could not have foreseen in 1949.

- (iii) The time spent by the applicant in waiting for the British decision is time lost when it comes to benefiting from either an award through 13(7) or supplementation if the British claim is granted.

It is apparent from the above that these Newfoundland veterans and dependents are not receiving the same consideration under the Pension Act that they receive under other legislation.

The Canadian Legion therefore recommends—

That a change be made in the Pension Act to make clear the status of these Newfoundland veterans in accordance with the spirit of the negotiations leading up to the terms of union and with the intent of the legislators as reflected in the other legislation quoted above.

6. *Supplementation to Canadian rates*

Sections 50, 51 and 52 of the Canadian Pension Act provide for supplementation to Canadian rate of benefits granted by the United Kingdom and other allied governments in respect of service in their forces by Canadians. The full intent of these sections, however, does not seem to be met. There are some cases where an applicant for pension, because a difference exists between British Canadian or other allied countries in pension legislation, is denied a pension by the country he served and, therefore, cannot get a Canadian supplementation. If his claim were judged purely by Canadian standards, because of our insurance principle, and because of section 13(1)(c), the claim would in many cases be granted.

Under the provisions of sections 50, 51, 52 and 53 of the act, the commission requires that a pensioner who has domiciliary or residential qualifications must be in receipt of a gratuity or disability pension from the government of the country with which he served before he can be considered for Canadian rates of pension. Thus, in the processing of claims from such veterans for pension payable by the Canadian Pension Commission, we have encountered many instances of disabled veterans who are unable to establish entitlement to pension which they would have had no difficulty in securing had they been considered as ordinary Canadian veterans.

The Canadian Legion therefore recommends—

That those veterans with Canadian domicile and residence prior to service with the United Kingdom or other allied governments (defined in sections 50, 51 and 52 of the Canadian Pension Act) be brought within the provisions of section 13 of the act.

7. *Retroactive awards (Section 31)*

We would advocate that it be made mandatory that when a decision is given favourable to the veteran, pension will be paid as of date of application. At present this is a matter which is left to the discretion of the Canadian Pension Commission, but section 31(1) of the act limits the discretion to a maximum of 12 months. Section 31(2) permits an additional six months when hardship and distress would otherwise occur, and section 31(3) permits an additional 18 months' pension where there are administrative delays beyond the applicant's control.

For a number of years after World War I, pensions when granted became retroactive to the appearance of the disability or sometimes the date of discharge. As a result some awards involved large retroactive payments and

it was argued that this fact made the commission extremely reluctant to grant the application. To do away with this psychological barrier a practical injustice was permitted in order to secure a more unbiased consideration of the merits of the applicant's claim without being unduly influenced by the financial consequences of a favourable decision.

Experience, however, has shown that there are many cases of delay beyond the applicant's control which often result, under present regulations, in both injustice and hardship. We believe that the adoption of our recommendation will go a long way to rectify these abuses.

The reasonableness of this request should be apparent. We have repeatedly presented our views on this matter. We had hoped that when the Pension Act was last amended the present unjust situation would be rectified.

Present regulations make no provision whatever towards meeting cases of obvious injustice, where through error, negligence or other cause, utterly beyond the control of the applicant pension is unduly delayed.

Furthermore, there are many cases which by their very nature lend themselves to delay. There are cases which are difficult to establish, and which may draw repeated adverse decisions, yet be inherently just cases which are eventually allowed. Whether the case is easy or difficult to establish, if it is just the rights of the applicant are the same, and the obligations of the country are the same, and it is obviously not fair that the applicant should be so heavily penalized because of the difficulty of establishing his right to entitlement. It is not right and just that the state should save money by delay in pension adjudication.

The Canadian Legion therefore recommends—

That all disability pensions when granted become effective from the date of application, but in order to allay fears of excessive awards going back to World War I jeopardizing the chances of the applicant, we append the following saving clause:—"This provision shall not apply to claims granted prior to January 1st, 1946, and no retroactive payments shall be made for a period prior to that date."

8. *Debts due to the crown*

The Canadian Legion has information indicating that it is the policy of the treasury board—where a veteran is in receipt of pension with respect to disability attributable to military service and the Canadian government has a money claim against the veteran—to authorize the deduction of the amount of such claim from the veteran's disability pension. The Minister of Finance upon receiving such authorization thereupon makes the deduction.

The alleged basis of the above-mentioned procedure is section 95 (1) of the Financial Administration Act, which provides for the crown setting off a debt to it against a debt by the crown to its creditor.

We are confident that parliament did not have veterans' pensions in mind when it enacted section 95 (1) of the Financial Administration Act, and, moreover, that it would not have enacted that section in its present form if it had been informed that the section would be used to deprive veterans of their pension benefits.

We urge that the crown's obligation to make monthly payments under an award of the Pension Commission is not an ordinary debt such as is contemplated by section 95 (1) of the Financial Administration Act. It is something different and of a much higher character. It is a moral obligation of Canada, acknowledged by the nation through its own tribunal, the Canadian Pension Commission, to ensure that the hardship to the pensioner resulting

from his disability incurred in the service of his country shall be minimized. Having assumed that obligation the nation is, in the Legion's view, bound not to disavow it.

Parliament has declared by section 24 (3), formerly section 20 (3) of the Pension Act, that a pension may not be attached. The Canadian Legion says that this is a statutory confirmation of the special character of Canada's obligation to its disabled veterans. It is essentially a debt of honour. Parliament has in effect said and decreed that money payments arising out of that obligation must not be diverted from their purpose, that of ameliorating financial hardship arising out of war disability.

The Legion submits that the Canadian government is bound, if not legally, then morally, by section 24 (3) of the Pension Act.

The Canadian Legion therefore recommends—

That in order to obviate all possibility of future diversion of war pensions appropriate legislation be passed.

9. Conditions not recorded on enlistment

We request that section 13 (1)(a) of the Pension Act be amended so that, where a pension applicant who served in an actual theatre of war is found to have a disability resulting from an injury or a disease not recorded on medical examination made on enlistment or prior thereto, such injury or disease shall be presumed to have occurred or had its inception subsequent to enlistment.

Whether or not a recruit is subjected to the dangers and rigours of military life is determined by government regulation. The government, for the purpose of determining whether the recruit is physically fit and is to be accepted, gives him a medical examination. The nature and extent of such examination is under the sole control of the state. The examination is very comprehensive and rigorous. The findings are recorded. On the basis of such findings the government determines whether the recruit is to be accepted for military service and whether he is to be subjected to conditions of service in a theatre of war. Having full control of the recruiting and the character and place of the recruit's subsequent service, the government should abide, for pension purposes, by its recorded findings in such medical examination, supplemented by actual medical records in existence prior to enlistment. This is not so under section 13 (1)(a). Many war disabled veterans notwithstanding the ameliorating provisions of section 13 (1)(c) undoubtedly are denied pensions which they would receive if the government were to abide by the results of medical examination on enlistment or pre-enlistment medical records. This situation is particularly acute in cases involving mental or nervous conditions. The Legion submits that the Pension Act should be changed so that Canada's obligation will be honoured.

The Canadian Legion therefore recommends—

That section 13 (1) (a) of the Pension Act be amended so that, where a pension applicant who served in an actual theatre of war is found to have a disability resulting from an injury or a disease not recorded on medical examination prior to enlistment, such injury or disease shall be presumed to have occurred or had its inception subsequent to enlistment.

10. Marital status under the Canadian Pension Act

There are Canadian pensioners and widows of deceased pensioners who have lost pension rights because of their marital status. In these cases either the man or the woman was married previously and obtained a divorce outside

of Canada which is not recognized under Canadian law. Therefore the second form of marriage is held to be improper by the Canadian Pension Commission which refuses to recognize the wife for purposes of additional pension, and when the man dies it similarly refuses to recognize the widow. In some cases the commission has previously recognized the woman and paid additional pension during the man's lifetime and then after his death discovered the invalid divorce and refused to recognize the widow. The commission has exercised its discretion in some cases but there is evidence that it does not always do so.

There are other instances where a separation has occurred and as a result there is an impediment to marriage creating a situation comparable to an unrecognized divorce.

There are not many of these cases but those that have come to our attention have been tragic. With respect to those that result from an unrecognized divorce there is little doubt but that the parties concerned acted in good faith and felt that they were free to re-marry.

The commission, following a meeting in January, 1955, asked the Legion what it could suggest as a remedy to this problem.

We believe that it could be remedied by a provision similar to section 30 (11) (b) of the War Veterans Allowance Act, but worded so as to take care of the widows also.

Section 30 (11) (b) is as follows:

"a veteran who

- (i) is residing with a woman with whom he is prohibited from celebrating a marriage by reason of a previous marriage either of such woman or of himself with another person, and
- (ii) shows to the satisfaction of the district authority that he has, for seven years or more, continuously maintained and publicly represented such woman as his wife,

shall be deemed to be married to that woman, and upon the death of the veteran at any time while so deemed to be married, such woman shall be deemed to be his widow."

The Canadian Legion therefore recommends—

That a clause similar to section 30 (11) (b) of the War Veterans Allowance Act be included in the Canadian Pension Act, and further, that this clause be so worded as to provide for the widow.

11. Increase in last illness and burial grant

Notwithstanding a change included in the newly published "Veterans' Burial Regulations" appertaining to disability pensioners we ask that the last illness and burial grant provided in section 35 of the Canadian Pension Act be increased to a figure more in line with present costs.

The Canadian Legion therefore recommends—

That the burial grant be made at least equal to the amount provided in the veterans' burial regulations, and that the amount allowed for last illness be increased to a figure more in keeping with present costs than the \$50 now authorized.

12. Children entitled to be maintained—section 26 (4)—Canadian Pension Act

This section of the act reads as follows:—

"The commission may, in its discretion, award a pension to or in respect of any child entitled in the opinion of the commission to be maintained by the member of the forces in respect of whom pension is claimed."

We have had cases referred to us where a veteran and a woman are living together in an irregular union and children have been born of that union. In view of section 26 (4) quoted above, we do not see how the commission can justifiably contend that the children of such a union are not entitled to be maintained by the member of the forces in respect of whom pension is claimed.

In one instance we submitted documentary proof to the Pension Commission in the form of birth certificates to show that the children are recorded as, and accepted as, the children of the pensioner, yet the commission still refused to grant the additional pension. In one case in particular, the commission has advised us that while they are given discretion to make an award that since the section is not mandatory but permissive "the commission does not exercise its discretion to make an award of additional pension for children born out of wedlock to a living pensioner. It does, however, if it considers that the circumstances warrant an award, exercise this discretion to make an award to such children of a deceased member of the forces whose death was attributable to service."

We have found other cases where the commission has contradicted itself by making an award under this section. They have, however, in recent months consistently refused to alter their above quoted policy.

We believe that section 26 (4) as contained in the act was placed there by the legislators with the intention of assisting pensioners in the maintenance of their children where because of lack of understanding of the law, or for some other reason, the pensioners have re-married or entered into an irregular union and raised families.

The Canadian Legion therefore recommends—

That section 26 (4) of the Canadian Pension Act be amended to read as follows:—

"The commission shall award a pension to or in respect of any children entitled to be maintained by the member of the forces in respect of whom pension is claimed."

13. Benefit of the doubt (section 70)

The Canadian Legion has for some years now been making representations to the Canadian Pension Commission concerning that body's failure to extend the provisions of section 70 of the Canadian Pension Act, commonly referred to as the "benefit of the doubt" clause to all applicants for pension. We have ample evidence that the commission still does not use this section in the manner in which we believe it was intended to be used.

The Canadian Legion therefore recommends—

That the government take action to ensure that the benefit of the doubt as set forth in section 70 of the Pension Act is, in fact, extended to all applicants under that act.

14. Renewal hearing (new conditions)

Under section 60 (4) of the Canadian Pension Act, after there has been an appeal board hearing, World War II and Korean veterans are required to obtain special leave under section 65 (4) to claim entitlement for conditions not ruled on by an appeal board;

The Canadian Legion therefore recommends—

An amendment to the Pension Act to provide for World War II and Korean veterans to claim entitlement by way of renewal hearings on any condition not adversely ruled on by an appeal board.

WAR VETERANS' ALLOWANCE

15. War Veterans' allowance rates

We believe that the married rate of \$120 per month, which was first asked for by the Canadian Legion in 1952, is no longer adequate in the light of the steadily rising wages and changing living standards in Canada today.

The effect of increasing costs has been disproportionately great on the W.V.A. dollar. This group of citizens is compelled to pay for goods and services in a market influenced by the many increases in real wages in industry, the armed forces and the government service.

In order, therefore, to ensure that married W.V.A. recipients do not suffer a reduction in their already marginal living standards.

The Canadian Legion therefore recommends—

That the rate payable under the War Veterans' Allowance Act be increased to at least \$140 per month married.

16. Ceilings on permissive income

In the field of war veterans' allowance we are particularly concerned about the ceilings on permissive income. Casual earnings presently permitted have done a very great deal to help the W.V.A. recipient who is capable of doing some work. We are, however, still greatly concerned about the individual who is incapable of supplementing his income by casual labour.

An increase in permissible ceiling would permit the disability pensioner, the individual on old age pension, or on small superannuation allowance, to receive a more substantial portion of his war veterans allowance. In the case of the pensioner particularly, his pensioned condition may well be the cause of his inability to augment his income. At the same time, those who have no extra source of income either in pension or superannuation allowance or old age security, could receive greater assistance under the assistance fund. It seems unfair that the men who have laboured through the years and established a small pension or superannuation allowance, which however is not sufficient to maintain them, should be less fortunately situated than the men who have made no such provision but who are able to supplement war veterans allowance by casual earnings.

The Canadian Legion therefore recommends—

That the ceilings on total permissible incomes under the War Veterans' Allowance Act be increased to \$1,200 per year for the single recipient and \$2,000 for the married recipient.

17 Widows allowance (section 30 (11) (b) War Veterans Allowance Act).

Under the present provisions of section 30 (11) (b), the W.V.A. board only grants widows allowance after the death of the veteran, if he had made application prior to his demise for recognition of the woman with whom he was cohabiting as his wife. As a consequence, many deserving of the allowance are barred. We believe this to be discriminatory against the surviving partner of a couple who could have qualified for war veterans allowance during the lifetime of the veteran but who elected instead to make their own way, despite in many cases, physical handicaps and increasing age.

The Canadian Legion therefore recommends—

That where all other requirements are met, the war veterans allowance board be empowered to declare as eligible widows who would be qualified had the veteran made application during his lifetime.

18. *Merchant navy*

Our attention has been drawn in the last few months to the desperate plight of former merchant seamen and T.124 agreement veterans who are no longer able to provide for themselves and their families through disablement and/or old age. Many such men, especially in Newfoundland, are suffering largely as a result of their wartime experiences when they were torpedoed, bombed, and forced to live in cramped, unhealthy quarters. Because of the restrictive nature of the Civilian Pensions Act, a few of these men are able to qualify for disability pension. We have instances where a veteran and his wife and several children are existing on approximately \$50 per month, made up of family allowances and relief.

Earlier representations for veterans' benefits for merchant seamen have always been primarily concerned with rehabilitation benefits such as re-establishment credits, educational training, etc., rather than with war veterans allowance. We believe, bearing in mind the desperate situation of some of these men who had excellent war service both on the high seas and, in some instances, on the landing beaches, that at this time the arguments advanced against providing any benefits, namely, that they received more pay than members of the armed forces, might be considered balanced out against the rehabilitation benefits that the other veterans received. We believe that these veterans should be granted war veterans allowance so that the country for whom they ran great risks in time of war might not leave them and their families in dire poverty when they are no longer able to provide for themselves.

The Canadian Legion therefore recommends—

That the War Veterans Allowance Act be amended to include these veterans of the merchant navy and T.124 service.

TREATMENT

19. *D.V.A. Hospital facilities in Newfoundland*

There is immediate need for full D.V.A. hospital facilities in Newfoundland, not only for active treatment of veterans, but also for convalescent and "domiciliary care". The question of convalescence is of special importance when one realizes the difficulties faced by many veterans in Newfoundland, who, after lengthy hospitalization, return to their homes in isolated points, where there are no doctors, no nurses, and no facilities for special diets which are often required.

The Canadian Legion therefore recommends—

That a D.V.A. hospital including convalescent and domiciliary care facilities be provided at St. John's, Newfoundland, as soon as possible.

20. *Increase in adjusted income—Section 13 Treatment Regulations*

Section 13 of the veterans treatment regulations sets a figure of adjusted income for veterans of \$2,500 per year. This figure has not been increased since 1954.

The Canadian Legion therefore recommends—

That the adjusted income figure be raised from \$2,500 to \$3,000 per year in the said regulations, and the minimum figure to be raised from \$1,080. to \$1,200.

CIVIL SERVICE

21. *Maintenance of Preference*

The Federal Civil Service Act is presently under review and it is anticipated that amendments to the act may result. We believe Canada has benefited

by the veterans' preference in that it tends to ensure that a high percentage of civil servants will be veterans who have already demonstrated their loyalty by their willingness to make great sacrifices in defence of this country. The Canadian Legion is strongly opposed to any amendment to this act which would take away any benefit presently accruing to Canadian veterans.

The Canadian Legion therefore recommends—

That the existing veterans' preference in employment in the civil service be maintained and applied to all government departments and crown corporations.

22. *Civil Service Superannuation—Election to Count War Service*

The Public Service Superannuation Act entitles the veteran joining the civil service to buy his years of service in the forces for purposes of superannuation.

The Canadian Legion therefore recommends—

That any veteran so doing be permitted to buy his years of service in the armed forces at any time during his employment with the dominion civil service at 6 per cent of his current salary—not 12 per cent plus interest as at present.

VETERANS' LAND ACT

23. *Supervised farm credit*

The farmer's share of the consumers' dollar spent on farm products has decreased drastically from 1939 to the present time. The scarcity and high cost of farm labour and the large increase in cost of all materials and supplies which the farmer requires for his operation have made it imperative for him to change to a mechanized and production line basis if he is to survive and obtain a standard of living comparable to that enjoyed by other workers in other industries. The amount and value of land, livestock and equipment required as components of an economic farm unit have increased greatly in the last 10 years and continue so to increase. The capital requirements of those engaged in agriculture today are nearly three times greater on a gainfully employed worker basis than in other industries and the lack of available capital is unquestionably responsible for the existence of many small and uneconomical farm units. Through practical experience of the operation of the Veterans Land Act it has been shown that carefully supervised government-sponsored credit extended to competent and progressive farmers in adequate amounts and at the right time can and will enable the farmer to enjoy a standard of living more comparable to that of the average Canadian in other industries and to meet his obligations when due. Government-sponsored supervised credit is urgently needed for those presently established V.L.A. settlers and other eligible veterans, as well as for the younger farm civilian and those farmers now in low income brackets. The V.L.A. administration has proved to have adequately trained, experienced and efficient personnel available and capable of administering a government-sponsored increased supervised credit plan. Full-time farming veterans still remaining under V.L.A. would be much better served by an expanding and virile organization serving all farmers than by one which must soon run down due to the fact that it will be serving only the rapidly decreasing residue of V.L.A. settlers. We believe that it is essential that a plan be developed which will improve farm management and production, thereby strengthening the entire national economy.

The Canadian Legion therefore recommends to the government.

That a plan of increased long-term and short-term supervised farm credit assistance under the jurisdiction of the presently well-established

veterans' land administration applicable to veterans and civilians alike covering all phases of the Canadian agricultural industry, be undertaken.

CHILDREN OF WAR DEAD (EDUCATIONAL ASSISTANCE) ACT

24. *Rate of Allowances*

In August we commended the government for granting an additional payment to those over 21. We respectfully suggest, however, that the amendment did not go far enough in regard to allowances payable under this act.

We believe that present amounts payable are not realistic bearing in mind inflated living costs today.

The Canadian Legion therefore recommends.

That Section 4 of the act be amended in such a way as to provide that the monthly allowance payable under the act shall be an amount, which together with the pension payable on behalf of each child shall make the total \$75.

25. *Children Receiving Compassionate Pensions Under Section 25 Pension Act*

Last August representations were made to the standing Committee on Veterans Affairs on behalf of the Canadian Legion while the above act was under review. No action was taken on the proposals which we submitted at that time. Since the problems then before us still remain we take this opportunity to again impress upon the government the views of the Legion.

While section 2 was amended by the addition of a new sub-paragraph extending section 25 of the Pension Act to certain children who are in receipt of compassionate pension, we believe that it did not go far enough.

Section 25 of the Pension Act reads as follows:

(1) The commission may, on special application in that behalf, grant a compassionate pension, allowance or supplementary award in any case that it considers to be specially meritorious, but in which the commission has decided that the applicant is otherwise unqualified to receive such an award or supplementary award under this act.

The Canadian Legion therefore recommends.

That all children pensioned under this section should be eligible for educational assistance.

26. *Children Pensioned under Section 26 (7) of the Pension Act*

While the Legion was certainly pleased to see that the benefits of this act were extended by Bill C45 to children pensionable under section 13 (1) (e) and 13 (2) of the Pension Act, we feel that one other very deserving group should also be included. We refer to those children pensioned under section 26 (7) of the Pension Act. This subsection reads as follows:—

The children of a pensioner who has died and at the time of his death was in receipt of a pension in any of the classes one to eleven, inclusive, mentioned in schedule A, or who died while on the strength of the department for treatment and but for his death would have been in receipt of pension in one of the said classes, are entitled to a pension as if he had died on service whether his death was attributable to his service or not.

The pension Act here provides pension for children of disability pensioners if the pension was being paid at the rate of 50 per cent or more, regardless of the cause of death.

We believe that the provisions of the Children of War Dead (Educational Assistance) Act are good, and benefit Canada as a whole as well as the individuals who are assisted. We also believe that this group of children pensioned under section 26 (7) of the Pension Act are deserving of special consideration and inclusion in the benefits of this act.

The Canadian Legion therefore recommends.

That the Children of War Dead (Educational Assistance) Act be amended so that section 26 (7) of the Pension Act be included under schedule A.

27. *Educational Assistance for Children of Seriously Disabled Pensioners*

There are children of disability pensioners who, due to the father's permanently disabled condition, are in much the same situation as they would be had their father died on service. While he lives his children cannot receive educational assistance but the day following his death his children will be eligible for assistance under the Children of War Dead (Educational Assistance) Act.

The children of a man who is seriously disabled because of his service and therefore unable to work, suffer considerable handicap because their father is not able to supplement his pension. As a direct consequence of his service disability the chances of making provision for his children's higher education are very poor. Therefore, this group of children is, we believe, worthy of consideration.

The Canadian Legion therefore recommends—

That the act be amended so that the minister be given discretion to extend the benefits of this act to the children of disability pensioners in cases where the man's disability is a serious handicap in providing higher education for his children.

Conclusion

In conclusion, we desire to stress that these matters which we bring before you are of great importance to Canada's veterans and their dependents. We hope that our requests will receive the earnest consideration of the committee and that the necessary legislative changes will be introduced at an early date.

We thank you, Mr. Chairman and members of the committee.

All of which is respectfully submitted.

D. L. Burgess,
Dominion president.

Mr. Chairman, may I again express to you and the members of the committee our thanks for the privilege of appearing before you now, and for a further discussion regarding any of these matters, at your convenience.

The CHAIRMAN: Thank you, Mr. Burgess and members of the Canadian Legion.

Now, Mr. Burgess has considerably abbreviated the formal presentation here this morning. I wonder if the remaining time might be used to clarify any outstanding points in the submission by the Canadian Corps Association?

I suggest that in view of the fact that we might have the Legion before us for a future sitting, without any difficulty of transportation and that Mr. Burgess, in his concluding remarks indicated he will be quite happy to co-operate on that basis.

Mr. THOMAS: Does the Canadian Corps Association have an Ottawa office, or do they come from outside Ottawa?

The CHAIRMAN: The office of the Canadian Corps Association is in Toronto.

Mr. WEICHEL: On page 2 of the Canadian Legion brief it says:

In the light of these facts the increases granted were not adequate and we would ask for an increase of 33½ per cent across the board over the 1956 rates.

Would that be over the 1957 increases?

Mr. BURGESS: That would be over the rates as at the date that the previous rates came in. The previous rate increases granted in 1957, took effect on July 1st. We are asking for the same as we asked in 1956, that is, an increase of 33½ per cent over the rates that were in effect when the small increase was granted.

Mr. THOMAS: Mr. Chairman, I move that the rest of the time this morning be devoted to the Canadian Corps Association in view of the fact that the Canadian Legion have an office here in Ottawa, which would make it more convenient for them to come before us.

The CHAIRMAN: We will be hearing from the Legion on the two bills that were mentioned in the preliminary brief, and also on the Veterans Land Act when it comes up for amendment. If it is the wish of the committee, we can have a further discussion of the presentation.

Mr. WINKLER: I second that motion.

Mr. WEICHEL: We do not always have representatives with us from each of the provinces.

The CHAIRMAN: They are in the city today because of a Canadian Legion conference. As a matter of fact, one of the reasons we decided to go ahead with the scheduling was the fact that they would be in the city and it would be possible for the members to meet the provincial secretaries.

Mr. HERRIDGE: I just sent for the Orders of the Day and I see that the house will be discussing the question of providing television services for the area of Churchill. That is very important to the member from Churchill, but it is not so important to most of us. Why can we not sit for a couple of hours this afternoon under the circumstances and hear from the Legion representatives, particularly in view of the fact that the provincial secretaries are here.

The CHAIRMAN: There is one problem, namely, that the hon. member for Brandon-Souris will be occupied with that resolution. I informed the members of the committee of our preoccupation with the resolution to which you referred. Shall we proceed now? We have a motion. Are there any further comments?

Motion agreed to.

We shall proceed to discuss the submission of the Canadian Corps Association, and if you wish to come forward, gentlemen, you may do so. We want to stress that there will be no attempt to curtail the discussion. If it should not be completed today, opportunity will be given at a future date. Have you any questions?

Mr. FORTIN: I see that the Canadian Legion asked for an increase of 33½ per cent across the board over the 1956 rates. In your resolution No. 1, you also asked for an increase of 33½ per cent without showing the basis for it. Is it over 1956 or over 1957, or over the present rates?

Mr. HARPHAM: Over the present rates, because the increases were granted in 1957. I think, were not uniform. I think the maximum was 20 per cent. You must take into account that the cost of living is still going up, and the fact that handicapped people sometimes are not in a position to get things in the open market in a way that would be possible to a person who is

well and fit, particularly in a time of winter such as we have had. We feel that their standard of living is not as good as it should be.

Surely Canada is not going to deny these men a single thing in this world of ours. I think Canada owes a lot, not to me, but to the veterans at large.

The CHAIRMAN: Shall we proceed resolution by resolution. Have you any further questions on resolution No. 1? If not, resolution No. 2?

Mr. THOMAS: I wonder if our friend could give us some information as to how they establish the basis for the \$1,440 mentioned in the resolution? I believe, if I remember the Legion's brief, that they mentioned \$1,200 in that regard.

Mr. HARPAM: Mr. Chairman, in 1957 when we came before the minister and made our recommendation, it was for \$1,440 at that time, and we still are coming back with the same request. The \$2,000 was for the married recipient, and \$1,440 was for the single recipient.

Mr. THOMAS: Can you tell us how you arrived at \$1,440?

Mr. HARPAM: I could not be specific if you asked me that. It was just that we felt that \$1,440 represented something that they could live with. In other words, it would take care of a lot of those things which the war veterans allowance recipient now cannot enjoy. It is not an arbitrary figure.

Mr. THOMAS: It is not based on other figures in the present legislation?

Mr. HARPAM: No sir.

The CHAIRMAN: Is discussion completed on resolution No. 2? If so, resolution No. 3.

Mr. HERRIDGE: May I ask if, by that amount, he means $33\frac{1}{3}$ per cent in addition to the present pension, or $33\frac{1}{3}$ per cent in addition to what Mr. Burgess seeks in the Canadian Legion brief?

Mr. HARPAM: Well, the Canadian Corps Association does have a great many pensioners in its membership, and it felt that we should support the brief that was submitted to you by the Amputations Association. Their brief, I think, is very specific at $33\frac{1}{3}$ per cent.

The CHAIRMAN: Yes. We had that point clarified.

Mr. HARPAM: Since we are members of the national council, we feel we must support their recommendation in that regard, because they have more actual knowledge of this problem than we have, and because we do not have the proportion of pensioners that they have.

Mr. THOMAS: In connection with resolution No. 3, the witness made reference to the Succession Duties Act and the fact that the capitalized value of the pension for the widow must be included in the aggregate of the estate when it is to be determined whether or not the estate as a whole is taxable. I wonder if the witness would care to comment on the suggestion that in the case of an estate which is taxable under the new amendment—an estate is not taxable where there is a widow involved unless the estate exceeds \$60,000; and in addition to that, there is a further allowance of \$10,000 exemption for each dependent child.

Is it felt that special consideration should be given to widowed pensioners under those circumstances where there is \$60,000 plus additional allowance for children already exempted?

Mr. HARPAM: Well, Mr. Chairman, the attitude we take is this, that the widow's pension is hers by right; it applies to every widow. If a husband dies and he is a pensioner, because he may have been successful in business and have accumulated an estate, you want to penalize her. In other words, she must have her pension amortized to be counted in her estate. Not only that, in

the province of Ontario and in the province of Quebec succession duties are higher than they are in the rest of the dominion.

That is why I read this:

The present practice under the Succession Duties Act is such that the capitalized value of the widow's pension is taken into consideration as to whether or not the whole estate of the pensioner is subject to succession duties. Parliament in its wisdom and gratitude has seen fit to make it the law that pensions payable under the Pension Act are not subject to income tax. We feel that it is the wish of parliament and the people of Canada that the same principle be applied under the Succession Duties Act.

We do not think a pension that has been earned and granted should ever come into the picture of succession duties or other things of that nature. It is hers by right. It might get very difficult, but we feel that pensions should not be interfered with.

The widow could lose that money; she could make poor investments of over \$60,000, and then where is she? She has to come back with her hat in hand and ask to be reconsidered. We do not think it is the wish of the people of Canada that a widow should ever have her pension amortized.

Mr. THOMAS: Would it be a fair comment on the widow's pension, if it is not interfered with, that in any event she could still receive it, that it is only to be taken into account when an estate reaches a size where it is subject to taxation, that she would always have the pension if she lost her other money, and that the pension should not be touched. She would never lose it.

Mr. HARPAM: How are you going to determine how long she will live?

Mr. HERRIDGE: I thought we were to be discussing resolution No. 3. What are we discussing now, Mr. Chairman?

The CHAIRMAN: This discussion arose from some comments made by Mr. Harpham on this item. Have we any further questions? If the questioning on resolution No. 3 is completed, we will proceed with resolution No. 4.

We had the Hong Kong veterans association before us a week or so ago when we discussed this item thoroughly. Are there any further questions in connection with this resolution?

Mr. STEARNS: Mr. Chairman, I was just wondering where they obtained the figure of \$5 million. We tried to extract that information the other day. How do they know there is still \$5 million in war assets?

Mr. HARPAM: Do you know where that information is?

Mr. HESAKER: If we are incorrect on the \$5 million, let the Department of Veterans Affairs advise us what it is.

The CHAIRMAN: On that point, I think the Department of Veterans Affairs merely administers.

Mr. LALONDE: Yes, we only provide addresses.

The CHAIRMAN: You merely mail the cheques which are awarded by the finance department or the war claims commission. This information is in the custody of the Minister of Finance. Although we have not received that information, we are going to see if we can obtain it for you.

Mr. HERRIDGE: I presume the intention of the brief is that whatever money is available from any war assets can be used to compensate these veterans.

Mr. HARPAM: Yes.

Mr. HESAKER: No, only the money from the Japanese in regard to the Hong Kong situation.

Mr. HERRIDGE: I was referring to that.

Mr. HEESAKER: Yes.

Mr. THOMAS: Would this be a fair statement: the corps association are simply backing up the request of the Hong Kong veterans?

Mr. HARPAM: Yes, they are members of our organization.

Mr. WEICHEL: Mr. Chairman, did not the Hong Kong representatives have the same amount, \$1.50 a day? Is that the same as yours?

Mr. HEESAKER: That is right.

Mr. WEICHEL: I do not think we need to discuss it any further.

The CHAIRMAN: Gentlemen, shall we proceed to resolution No. 5.

Mr. HERRIDGE: Could I ask Mr. Heesaker this question: I read the resolution quite carefully and I am not clear as to the intention of the resolution. Do you really mean by this resolution that the former ex-service women who are unemployable because of physical disability or age, receive this assistance?

Mr. HEESAKER: Yes.

Mr. HERRIDGE: That is the implication of the resolution?

Mr. HEESAKER: Yes.

The CHAIRMAN: As there appear to be no further questions on resolution No. 5, we will proceed to No. 6. Is the intent of this resolution clear to the members of the committee?

Mr. HERRIDGE: Does this resolution imply that the widow should receive the full pension that was received by the pensioner, plus her portion after his death?

Mr. HARPAM: May I say that we think something should be done for her. If we do it in the case of a pensioner with over 50 per cent certainly we feel the pensioner who is slightly under 50 per cent should have something. At the present moment they are completely forgotten. Until she becomes eligible for something like widow's allowance, there is nothing at all for her.

Mr. WEICHEL: You are not talking about the pension over 50 per cent?

Mr. HARPAM: No, we are talking about the woman whose husband had a pension under 50 per cent, and we think something should be done for her.

Mr. HERRIDGE: Do you actually mean that the widow of a veteran who receives less than 50 per cent should continue to receive a widow's pension, the same way as the widow of the veteran who received over 50 per cent?

Mr. HARPAM: Yes. The widow of a veteran who receives over 50 per cent gets a pension; it is the widow of the veteran who receives under 50 per cent with whom we are concerned.

Mr. HERRIDGE: But the pension paid in this instance after death is not the same pension received by the veteran.

Mr. HARPAM: No.

Mr. CARTER: Perhaps Mr. Lalonde will clear this up, if it is possible. Is it not possible for a widow of a pensioner who has less than 50 per cent disability to receive a pension under certain circumstances which, if the pension board sees fit, would be greater than the pension is for a pensioner's wife?

Mr. MUTCH: Yes, there are two groups of widows who are pensionable, the group in classes 1 to 11—50 per cent or more, which is automatic provided it is a good marriage. But in all other cases where a veteran dies, if his death can be held due to service, his widow and his children are pensionable,

even although in extreme cases he drew no pension during his lifetime. If death is ruled attributable to service, then the benefits flow to the widows and dependents.

Mr. WEICHEL: That would be the same rate.

Mr. MUTCH: The amount is exactly the same as in the case where division is automatic: it is fixed in the schedule to the act which sets out the rate of \$115 for the widow, and on the death of the pensioner the children would be pensioned at orphan rates, or double ordinary rates.

Mr. ROBINSON: Are there many of those cases?

Mr. MUTCH: You asked if there are many?

Mr. ROBINSON: Yes, or is it a hard one under which to qualify.

Mr. MUTCH: There are a considerable number of them, and I would have no idea as to the number. I know of one, for instance, that I can think of: when the pensioner died it was discovered that he died from a pensionable disability, which was recorded at the time of his discharge, for which he had never applied and for which pension had never been in payment. That is the extreme case. But there are people who have small pensions for an aggravation and if the commission ascertains that their pensionable difficulty was a major factor in the cause of death the dependents would be paid a pension.

Mr. CARTER: As I understand this resolution, it means that if a pensioner was getting a pension for 10 per cent disability, then that 10 per cent pension would go to his widow when he dies. Is that what you are requesting?

Mr. HEESAHER: Yes. We are requesting that the dependent of a pensioner receiving a pension of less than 50 per cent be granted the same privilege in respect of veterans allowance that is presently being granted to a dependent of a pensioner receiving a pension of over 50 per cent.

Mr. CARTER: You have no definite minimum figure in mind?

Mr. HEESAHER: Minimum figures, yes.

Mr. CARTER: It is merely the continuation of the widows' pensions.

Mr. HEESAHER: Yes, the same as in the case of those over 50 per cent.

Mr. MUTCH: Perhaps I should say, in the case of a pensioner who dies and whose death is not due to his pensionable disability or attributable to service, the statute provides that, where additional pension has been in payment, the payment of a bonus equivalent to additional pension for one year is to be made for the benefit of the children. Of course, the wife's pension in such cases ceases with the death of the pensioner.

Mr. WEICHEL: Would it be right to ask if the Canadian Legion has anything in their present or previous briefs in regard to where it is under the 50 per cent?

The CHAIRMAN: Would you care to answer that question, Mr. Burgess? Mr. Weichel is inquiring if the Legion has made similar representations in regard to the elimination of the 50 per cent clause.

Mr. BURGESS: No, we have not.

Mr. WINKLER: I think perhaps the wording of resolution No. 6 is somewhat confusing, but in view of the comments which were presented to the committee, I certainly think it is an excellent resolution. Personally I know of numerous cases where the veteran was receiving less than 50 per cent, possibly considerably less than 50 per cent: things were going along fine and he did not go for rebonds and that sort of thing. He had built up a small estate and as a result, on his death—as a matter of fact in the case I am thinking of, there were five children involved—this small estate supplied an

income for five or six years. The amount was too large to enable the widow to receive mother's or widow's allowance, and being under 50 per cent, there was no pension from the commission. This would certainly be of tremendous assistance to families such as these. I think it is a very good resolution although, as I say, the wording is somewhat confusing.

Mr. WEICHEL: I would like to add my support to Mr. Winkler's statement. I remember losing a pal of mine not too long ago; he had 47 per cent and did not receive anything.

The CHAIRMAN: Are there any further questions; if not, we will proceed to resolution No. 7. I might say that resolution No. 7 applies more to the Department of National Defence than it does to the Department of Veterans Affairs. I believe that is a correct interpretation.

Mr. HEESAKER: Yes.

Mr. HARTHAM: We simply wanted to draw it to your attention. We do not know how it could be handled but we have seen several cases which merit consideration.

Mr. HERRIDGE: I wonder if the witness realizes that former members of the permanent forces are not considered veterans according to our legislation and are, therefore, not the responsibility generally of the Department of Veterans Affairs.

The CHAIRMAN: With those comments on resolution No. 7, we will proceed to No. 8.

Mr. WEICHEL: In regard to the question of identification cards, would that have any effect on anyone like myself? I am a pensioner and I receive a card every three months which I have to fill in and return to the Department of Veterans Affairs. That would not have any effect on the one you are suggesting here.

Mr. HEESAKER: No, the thing we are asking for is a permanent card they can carry. I am sure some of you gentlemen have been in a bank cashing your pay cheque and have noticed war veterans allowance recipients or pension recipients ahead of you—especially if they are in the older age bracket and becoming feeble—experiencing difficulty cashing their cheques. Bank tellers are changing every day. It is not as if the same teller has been there for five years and recognizes the person in question. All too frequently they present their cheques to new tellers; and what happens? There is a big stink; the manager or the chief accountant has to be called, and if he has not proper identification he is really put through a lot of misery before they cash it.

Mr. WEICHEL: I think perhaps the deputy minister is aware of the identification card to which I am referring. In all probability it is sent to us in order that the government may ascertain whether or not we are still alive.

The CHAIRMAN: Mr. Weichel, we are very much aware of that in this committee.

Mr. WINKLER: Mr. Chairman, I think that is a very good idea. I can confirm that those inconveniences in the bank, as stated by my hon. friend, do exist.

Mr. ROBINSON: I do not know whether or not all provinces supply them, but Ontario issues a very small birth certificate card, and I would think that would serve the purpose. In this way, you would not be cluttering up your wallet as much as you would if you had to carry another card along with it.

Mr. WEICHEL: Perhaps the deputy minister would answer this question: the gentleman next to me says he receives his identification card every two years; I receive mine every three months.

The CHAIRMAN: They are keeping a close check on you. Are there any further questions?

Resolution No. 9. Any questions? Are we agreed on resolution No. 9?

Some Hon. MEMBERS: Agreed.

Mr. HERRIDGE: Mr. Chairman, may I ask a question there? I am not quite clear on the intent of this resolution, having regard to the comments. It says, "We therefore recommend that section 34, subsections 3 and 4, which contain the 'means test' and decrees 'at the discretion of the commission', shall be forthwith absolved, and the dependent parent or parents be treated in the same favourable extent as the wife who is subjected to no means test for the same comparable loss".

There appears to me to be a contradiction in terms there. You actually are asking that there be no means test in the application of his section?

Mr. HARPAM: That is right. Where there is a loss of a dependent son or daughter, as I understand it now, the pensions commission assess their ability to carry on with or without assistance. We feel that the supreme sacrifice is something that you just cannot measure in dollars and cents, and these older people could reasonably have expected assistance from their sons and daughters in their later years.

They are now getting older, and they are being put to a means test. I do not think that is the intention of the people of Canada.

Mr. HERRIDGE: My point is, how do you determine that they are dependent parents, because that implies a means test?

Mr. HEESAKER: That was determined when the man or woman entered the service and the government at that time saw fit to pay a dependent's allowance to the mother or father.

I know a specific case where the last boy entered the army and the mother was left at home. He signed over a portion of his pay and the government made available the same amount that the last son signed over. Therefore, that mother must have been, in the eyes of the government, a dependent, otherwise the government would not have seen fit to pay that \$20.

They are the people we are trying to cover with this resolution, people who were dependents at that time and still qualify for a like amount for which a wife would qualify if her husband was a service man and had made the supreme sacrifice.

Mr. CARTER: What would you say about payment to a person who lost two sons?

Mr. HEESAKER: We are only being reasonable. If a person lost two sons we would only expect—and I am sure our association would back us up on this: it is a technical point—an allowance for one son. We would certainly not expect to receive a full allowance for two sons. We would expect to receive an allowance for one son, and one only, provided it is the same allowance that a wife would receive had her husband paid the supreme sacrifice.

Mr. MUTCH: The suggestion made here would require an amendment to the legislation itself.

The CHAIRMAN: Are there any further questions?

Mr. FORTIN: Would this be only in the case where a service man had a portion of his salary paid to his parents while on service, or in all cases?

Mr. HEESAKER: That is another technical point. If, when the service man was in the service, his mother or his father, or both, were classed as dependent, then we say they should come under the same set-up as a wife.

The CHAIRMAN: Are we agreed on resolution No. 9?

Item agreed to.

The CHAIRMAN: Resolution No. 10.

Mr. HERRIDGE: I am interested in this resolution.

The CHAIRMAN: Resolution No. 10?

Mr. HERRIDGE: Yes. I presume the witnesses present this resolution because they have run into a number of cases of people who have suffered from this order in council in Great Britain. I should think the numbers must be very small in Canada.

Have the witnesses any idea of the number who would be affected by the change suggested in this resolution?

Mr. HEESAKER: I must confess that this resolution came to us almost at the last minute from our Imperial section of the Canadian corps. I should like to make note of any questions we are asked here today by yourself or the committee and we could secure the answers for you and submit them as soon as possible.

Mr. HERRIDGE: I wish you would, because I think the numbers must be very small indeed.

The CHAIRMAN: Is the committee agreed on resolution No. 10? If so, we will proceed to resolution No. 11. Are there any questions, gentlemen? Are we agreed on resolution No. 11? If so, we will proceed to resolution No. 12.

Mr. HERRIDGE: Mr. Chairman, this resolution—and I am very sympathetic to it, personally—asks for the first \$50 to be exempted of such qualified pensions as industrial, disability and superannuation, provided the pension does not exceed \$100 a month. I think it is somewhat limited in its scope, if you apply that principle.

There are some persons who have small sums of money up to \$50 a month coming in from interest and savings, annuities and other forms of, shall I say, assured income? Would you consider those persons should receive the same consideration? It does open up a field in that direction.

Mr. HEESAKER: Mr. Chairman and gentlemen, there is something they always tell us in veteran work, that if you get a start on something one year, you can always get something else the next year. But I would certainly say that we would go along with \$50 a month coming in from something, as the good committee member down there mentioned.

The CHAIRMAN: Are there any further questions? Are we agreed on resolution 12?

If so, are there any questions on resolution No. 13? The next is resolution No. 14.

Mr. CARTER: I am all for this one.

The CHAIRMAN: That resolution is agreed to? The next one is resolution No. 15. Are there any questions?

Mr. WEICHEL: Why is there the difference in age there—16 for boys and 17 for girls?

Mr. HEESAKER: That is the difference laid down by the Department of Veterans Affairs.

Mr. HERRIDGE: I think it arises from the natural paternal feelings of the committee towards the female sex.

Mr. WEICHEL: I suppose 16 is when a boy starts work?

Mr. MUTCH: It has always been statutory, 16 for a boy and 17 for a girl. If you ask me why, I will decline to answer, because I do not know, except as to the general interpretation of responsibility.

The CHAIRMAN: Is resolution No. 15 agreed to?

I think Mr. Herridge gave a very noble answer.

Mr. MUTCH: I am sorry; I missed it. I shall certainly read it.

The CHAIRMAN: Gentlemen, that concludes the discussion of the brief from the Canadian Corps Association. We are very grateful, gentlemen, for your cooperation in this regard, and we are grateful to the members of the delegation.

Mr. HARPAM: Thank you very much.

The CHAIRMAN: It has been a pleasure to have you before us and to meet you personally.

Mr. HARPAM: Thank you very much, sir.

The CHAIRMAN: We will not meet until following the Easter recess. At that time I presume it will be your wish to hear further from the members of the Canadian Legion?

Some hon. MEMBERS: Hear, hear.

The CHAIRMAN: The steering committee can discuss when we will reassemble following the Easter recess. I would say, looking at the situation from this vantage point, that we will not be meeting again until the Thursday following the Easter recess. Have we any comments? I am told, gentlemen, that is April 9.

Mr. HERRIDGE: That is a very appropriate day, Vimy Day.

The CHAIRMAN: Yes, it is Vimy Day. Are there any further comments, gentlemen?

Mr. MUTCH: The 9th is not a firm commitment for the commission, is it?

The CHAIRMAN: Yes, you are with us on the 9th, we will definitely schedule you for that day. The original plan of the steering committee—and the general committee agreed to this—was to hear general presentations on Monday, and consider estimates on Thursday and I think we will continue on that schedule.

Mr. WEICHEL: We might be able to enjoy Vimy night with the Legion?

The CHAIRMAN: There is a good suggestion. Thank you, gentlemen. Thursday, the 9th.

—The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

Estimates 1959-60 of the Department of Veterans Affairs

THURSDAY, APRIL 9, 1959

WITNESSES:

Mr. T. D. Anderson, Chairman, Canadian Pension Commission; Mr. L. A. Mutch, Vice-Chairman; Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

STANDING COMMITTEE ON VETERANS AFFAIRS

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Vice-Chairman: G. W. Montgomery, Esq.,

and Messrs.

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Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (<i>Kings</i>)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

CORRECTIONS

Page 194.

Line 26—Strike out \$120.00 and substitute "\$240.00" therefor.

Line 35—Strike out \$120.00 per annum and substitute therefor "\$240.00 per annum single (and \$300.00 married)"

Last Line—Strike out \$120.00 and substitute therefor "\$240.00 per annum single, and \$300.00 married,"

MINUTES OF PROCEEDINGS

House of Commons, Room 112-N.

THURSDAY, April 9, 1959.

The Standing Committee on Veterans Affairs met at 11:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Badanai, Beech, Clancy, Dinsdale, Fane, Forgie, Garland, Herridge, Jung, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, MacRae, McIntosh, Montgomery, O'Leary, Robinson, Rogers, Speakman, Stearns, Thomas, Webster, Weichel, Winkler.

In attendance: Mr. T. D. Anderson, Chairman, Canadian Pension Commission; Mr. L. A. Mutch, Vice-Chairman, Canadian Pension Commission; Dr. W. F. Brown, Chief Medical Adviser; Mr. Kenneth Macdonald, Secretary; Mr. T. J. Rutherford, Director, Veterans Land Act; Mr. Lucien Lalonde, Deputy Minister, Veterans Affairs; Mr. F. T. Mace, Assistant Deputy Minister, Veterans Affairs; Mr. C. F. Black, Secretary of the Department, Mr. J. G. Bowland, Research Adviser; Mr. G. S. Way, Chief of Information; Mr. D. M. Thompson, Chief of Service Bureau, Canadian Legion.

In opening the proceedings the Chairman welcomed Mr. T. D. Anderson on his recent appointment as Chairman of the Canadian Pension Commission. He invited him to address the Committee. Mr. Anderson thanked the Chairman and the Members and said that in view of his very recent appointment he would leave Mr. Mutch to deal with the questions relating to the items of the Canadian Pension Commission.

Some discussion took place as to the hour of sittings. Finally, on motion of Mr. Herridge, seconded by Mr. Lennard, it was resolved that the Committee would meet at 3:30 o'clock p.m. on the next two Mondays.

The Committee then proceeded to the consideration of the Estimates.

Item 463 was discussed at length and finally approved.

Items 464 and 465 were considered and approved.

At 1:00 o'clock p.m. the Committee adjourned to meet again at 3:30 o'clock p.m. on Monday, April 13, 1959.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

THURSDAY, April 9, 1959.

11:00 a.m.

The CHAIRMAN: Gentlemen, we have a quorum.

We welcome back all the members of the committee following the Easter recess. Yesterday the steering committee met briefly to plot our course for the remainder of the session. As a result of our deliberations one or two problems emerged which we thought should be referred to the general committee.

The schedule which has been drawn up for the remainder of the session has the Veterans Affairs committee meeting at nine o'clock on Mondays and eleven o'clock on Thursdays. That is the schedule which emerged out of the general discussion of the committee chairman. It was devised in order to avoid as much conflict as possible. It was felt by the steering committee that it might be the wish of the general committee to consider further the matter of meeting at nine o'clock on Monday mornings. Are there any comments on that?

Mr. FORGIE: It is too early.

Mr. HERRIDGE: I am a member of the steering committee but unfortunately I was absent. What is the reason for holding the meetings at nine o'clock? It does seem a bit early. We would have no time for correspondence.

The CHAIRMAN: It is in order to avoid conflict with the schedules of the other committees on Monday mornings. We are alternating with the External Affairs committee. There are several cases of conflict between the External Affairs committee and the Veterans Affairs committee.

Mr. THOMAS: How long would the committee sit on Monday morning?

The CHAIRMAN: From 9:00 a.m. to 11:00 a.m. and then we would make room for the External Affairs committee.

Mr. BEECH: Why not have the External Affairs committee meet at nine o'clock?

The CHAIRMAN: They are meeting at 9:00 a.m. on Thursday.

Mr. LENNARD: Why not meet on Monday afternoon for at least a couple of weeks?

The CHAIRMAN: That is an interesting proposal. It is within the power of this committee to so decide if they wish. We have the budget debate for the following two Mondays.

Mr. THOMAS: Mr. Chairman, if it is to be held in the afternoon, then I would suggest a day other than Monday or Friday be considered.

The CHAIRMAN: We have a proposal that we might shift our Monday sitting from the morning to the afternoon and Mr. Thomas suggests it be an afternoon other than Monday.

Mr. THOMAS: Yes.

The CHAIRMAN: Is there any reason for that?

Mr. THOMAS: There are quite a number of members who do not go home very often for the weekend but when they do go home they sometimes take an extra day. For that reason I would suggest a day other than Monday.

Mr. MACRAE: Surely we do not have to arrange our meetings to suit those members who do go home; some of us do not.

Mr. HERRIDGE: I move that for the two successive Mondays during the budget debate, this committee meet at 3:30 in the afternoon.

Motion seconded by Mr. Lennard.

Mr. GARLAND: Mr. Chairman, before a vote is taken on the matter I think we should just register the fact that there was an undertaking by the chair that the committee would not meet while the house is sitting.

Mr. LENNARD: You had better clear it with some of your own party.

Mr. GARLAND: I appreciate the advice from my friend, but nevertheless it does present a very real problem for some of us in the opposition. I know the chairman is well aware of that.

At this point I would be prepared to go along with the recommendation that we try it for the next two weeks—during the budget debate—but only for those two weeks.

The CHAIRMAN: I think that is the purpose of the motion. Is there any further discussion?

Motion agreed to.

The CHAIRMAN: Let us proceed with another item of preliminary business. I have a letter from the Canadian Corps Association pointing out a stenographic error, which reads in part as follows:

With reference to the Canadian Corps Association brief of resolutions, presented to the Standing Committee on Veterans Affairs on Monday, March 23, we would like to make a correction in connection with our resolution No. 13. A stenographic error was committed in connection with this resolution and instead of \$120 on line 4, paragraph 1, page 194 of your minutes and proceedings No. 7, of March 23, it should have said \$240 to \$500 per annum. This would also mean correcting paragraph 3, changing the first two lines to read as follows: "The maximum allowed to any recipient by the district authority from the assistance fund is \$240 per annum single (and \$300 married) payable usually on a monthly basis." It will also necessitate the correction of paragraph 5 as follows: "The Canadian Corps Association therefore recommend that the ceiling of the assistance fund of \$240 per annum single, and \$300 per annum married, be increased on a sliding scale to the maximum of \$500 per annum," and so on.

We are very sorry to cause your clerk additional work in connection with this resolution, but we would not want your committee members assembled to be considering resolution No. 13 without this stenographic error of the dollar value being corrected.

We have a request from the Canadian Corps of Firefighters for a hearing. It was the suggestion of the steering committee that we invite them to appear before us a week from Monday.

We still have to consider the brief of the Canadian Legion and I believe they are prepared to come back next Monday if that meets with the wishes of the committee.

Are there any comments on those points? I think that covers the business at hand for the moment unless one of the members wishes to raise anything further.

We will now return to the estimates.

Canadian Pension Commission

463. Administration expenses \$2,593,195

The CHAIRMAN: We are now on the administration item under the Canadian Pension Commission. This gives us an opportunity to welcome into our midst the new chairman of the Canadian Pension Commission, Mr. T. D. Anderson, who is no stranger to this committee, nor is he a stranger to the Department of Veterans Affairs. He comes to his new position from the Post of national secretary of the Canadian Legion. We are delighted, Mr. Anderson, to have you with us this morning. If you wish to make any statement you are quite at liberty to do so at this moment. We are very pleased to have you with us.

Mr. T. D. ANDERSON (*Chairman, Canadian Pension Commission*): Thank you very much, Mr. Chairman. It is a genuine pleasure, I can assure you, to be here.

As you have said I am not exactly a stranger to either yourself or the members of the committee, having appeared here on previous occasions representing the Canadian Legion. I am sure our relationships are going to be just as pleasant in my new capacity as they were in the old.

I wish to say, if you do not mind, and I think you will understand as will the members of the committee, that having taken over my new office on Tuesday, and having had no previous opportunity to make a study of the estimates, or to gain any information about them, I am not quite in a position to discuss them with you or to give you any information on them. Accordingly, I am going to ask the deputy chairman, Mr. Mutch, to carry on with that part of the work until we are through with the estimates of the Canadian Pension Commission.

I may well be prepared to say a word here and there where it appears necessary, but other than that I will leave the work of the estimates to the gentleman on my right.

The CHAIRMAN: Thank you very much.

Mr. HERRIDGE: I would like to bring to the attention of the committee the fact that this is a most unique occasion. This is the first time we have had a gentleman appear at a previous meeting as a representative of the Canadian Legion and then at a successive meeting as Chairman of the Canadian Pension Commission. I know what he thinks in respect of the amendments to the Canadian Pension Act and in view of that, we look forward to a very fruitful future.

The CHAIRMAN: Mr. Anderson originally is a Manitoban and, of course, anyone who originates from the keystone province looks at matters from a balanced and fair viewpoint.

We shall proceed with item 463.

Mr. L. A. MUTCH (*Deputy Chairman, Canadian Pension Commission*): Mr. Chairman, before you begin examining this item, I think I should conform with the practice which has been followed in the committee at this and former hearings, that is, the practice of making a short statement.

My experience is long enough that I can promise you it will be a short statement. I know something of the difficulties into which a person can get by saying too much.

I would like to say that the Canadian Pension Commission is recognized as one of the larger welfare agencies in Canada. Its decisions bear directly upon the financial circumstances of half a million Canadians. Through the years it has been a matter of pride to parliamentarians, as well as to all Canadians, that in Canada emphasis has always been put upon the service to be rendered under this act.

Perhaps you will permit me to add that during my association with the Commission I have been convinced that the Commission considers it to be its primary duty to see to it, to the best of its ability under the powers conferred by statute, that no veteran, and no dependent of a pensioned veteran, is denied any of the benefits parliament has provided. The Canadian Pension Commission as a quasi judicial body enjoys powers which are unique; its objective has been, and is, to merit the confidence of parliament in granting those powers.

Therefore it is quite natural that Appeal Boards of the Commission, sitting as the court of last resort in pension awards, do, in practice, make exhaustive examination of the evidence adduced, and of the records, in order to extend in full the benefits which flow from a favourable ruling. When we err—and being human, err we must—the Commission will freely make such adjustments as are permitted by the statute. While granted extremely wide powers of interpretation, these powers do not extend to the Commission the right to legislate by interpretation. In the field of legislation parliament is supreme.

That is all I wish to say on behalf of my colleagues.

The CHAIRMAN: Thank you for the statement.

The meeting is now open for general discussion. Are there any questions? The item is No. 463 and it appears on page 82; the details will be found on page 563.

Mr. MONTGOMERY: Are there any regulations under section 8 of the Pension Act? Have there ever been any regulations?

Mr. MUTCH: Under section 8? Oh yes, there are regulations under which the commission operates.

Mr. MONTGOMERY: Are they available? Have we copies which are supplied to us?

Mr. MUTCH: No. The only information of that nature which has ever been tabled, I am informed, is the Table of Disabilities. That was tabled two or three years ago in the house.

Mr. HERRIDGE: On the motion of the member for Kootenay West.

Mr. MUTCH: I will not hold that against you. They were tabled in the House of Commons at that time. That is what you are inquiring about?

Mr. MONTGOMERY: I have never seen any of these regulations and I wondered if there were any.

Mr. MUTCH: That is known as the Table of Disabilities, and it was deposited with the proper officer of the house at that time. They are amended from time to time and they have been amended, I am quite sure, many times since that was done.

It has been the practice to hold this Table in confidence, divulging it only to those persons who were properly authorized to represent applicants. When we were ordered by the House of Commons to table them, of course did so.

Mr. MONTGOMERY: Were they published in *Hansard*, or just tabled?

Mr. MUTCH: No, they have never been published.

Mr. HERRIDGE: How many cases were reviewed because of the tabling of this Table of Disabilities?

Mr. MUTCH: I am completely unable to answer that question. No record was kept. But I would venture to suggest that the number was not considerable. Actually I was going to say that I think a great many people were surprised to find how relatively little there was in it, and the response as far as requests was concerned was negligible.

Mr. HERRIDGE: What would be the reasons for keeping it more or less confidential?

Mr. MUTCH: The Table is drawn up under the powers conferred by the statute for the direction of the Commission itself and its employees, scattered from Victoria to London, England. Basically, I think the reason was to make it easier to maintain a reasonable standard of uniform practice.

The Table of Disabilities exists only to assist the Canadian Pension Commission and its medical officers in fulfilling their responsibilities. It does not offer final, nor absolute values. It is reviewed from time to time as circumstances change.

Mr. MONTGOMERY: It is just for the purpose of keeping on a general level your decisions on cases, having regard to similar cases.

Mr. MUTCH: It deals very largely with fixed disabilities. Otherwise, you see, we would find ourselves in a ridiculous position if we did not take the same approach in respect of uniformity in connection with awards in these cases where the disability is fixed. One can realize the difficulty if a veteran in Victoria, with an arm off to a certain length, were treated differently from one in Prince Edward Island with the same disability.

Mr. MONTGOMERY: My next question has to do with section 11(5). It says here there may be a travelling inspector for the veterans bureau. Has the pension board designated or advocated having a travelling inspector?

Mr. MUTCH: No, the Veterans Bureau, while working with the pension commission, and provided for in this act, comes under the direction of the deputy minister of the Department of Veterans Affairs. They do not report to the pension commission, nor are they our employees, although they are most valued allies in the work we are doing.

Mr. BEECH: I would be interested to know how the board functions under section 70, the benefit of the doubt clause. There seems to be a lot of argument and dissatisfaction about this and I would like to hear some comments.

Mr. MUTCH: I think I can perhaps help you with that, although I do not ever expect to be able to satisfy everyone with respect to it.

The benefit of the doubt which is described in section 70 is a doubt in the mind of the judge, if I may use that expression, or of the man who is hearing the case. In effect the section says that if the three men who constitute the appeal board hearing a case have reasonable doubt—and it says: “reasonable doubt”—in their minds as to the decision which they shall take, then they shall draw reasonable inferences in favour of the applicant. The act says reasonable inferences, and again the decision as to what is reasonable or unreasonable must exist in the minds of the men who are hearing the case. The result is that when an application is granted, as a very great number are granted as a result of section 70, the person who succeeds is satisfied. But the person who does not succeed is likely to suggest that we have not exercised that discretion in his favour. The power to give, in a section like that, is balanced by the power to deny. The Commission has contended through the years—and I think it has been generally accepted—that the decision lies solely in the minds of the judges themselves, as their responsibility.

One cannot say that the Appeal Board should have a doubt about this simply because I have a doubt. On the whole it works to the advantage of the veteran population generally, and I would venture to suggest to you that more than 80 per cent of the entitlement awards which have been granted in respect to World War I, in the last five years while I have been with the commission, could not have been granted without resort to the benefit of section 70. I do not think anyone would challenge that.

Mr. BEECH: The benefit of the doubt must lie in the minds of the judges and not in the person himself.

Mr. MUTCH: With respect, may I say there is only one person who can decide whether the evidence produces any doubt or not, and that person is the judge.

Mr. BEECH: I was looking at a decision which I have here.

The CHAIRMAN: Refer to it in general terms, please.

Mr. BEECH: It says:

The board, after carefully reviewing the entire evidence, concludes that although the possibility exists that the pensionable condition may have influenced the disease processes leading to death, the probability of such has not been sufficiently established to bring this case within the provisions of section 70.

I do not know. I may be wrong. But it would seem to me that the possibility exists that it may have influenced them, and that it would create a doubt.

Mr. MUTCH: Apparently it did not. I am sure I do not know about it, because I do not sit on the appeal boards. There is a weighing of the evidence, and it says there is reasonable doubt. They may have said, and if I had been translating it perhaps I would have said: "the doubt is not clear cut, so in my mind there is not a reasonable inference or presumption in favour of the claim". I think that is what they meant.

Mr. MONTGOMERY: I do not think it is a question of reasonable doubt. Under the interpretation of section 70, the words "reasonable doubt" are not used; it says "reasonable inference", but not reasonable doubt.

Mr. MUTCH: It is based on reasonable inference.

Mr. MONTGOMERY: I would venture my opinion on the number of cases that come to us that the doubt in this case should be given to the veteran and that there should not be any question of reasonable doubt if there is doubt. I think what Mr. Beech was wondering was whether that is always given in favour of the veteran. I know it is very difficult, but two people might arrive at the thing differently.

Mr. MUTCH: If it were not for differences of opinion, one person could do the whole business. I cannot analyze what is in the mind of a man, but I can assure you that my colleagues on the commission do utilize this section every day of their lives. As I have said, they are solely motivated by the desire to do what they can do under the legislation.

I say that as long as there are cases which are denied and which have been appealed under section 70, someone somewhere will feel that our interpretation of section 70 has not been broad enough.

If what you suggest was carried to its logical conclusion, it would be tantamount to putting a statutory provision in to give everybody a pension. I suggest that it is as simple as that. I have been trying to make this clear to myself and to others for at least eighteen years, and this is the best I can do.

Mr. BEECH: The only reason I make the suggestion is that year after year at Legion and at other conventions, this benefit-of-the-doubt clause always comes up and there seems to be a great deal of dissatisfaction in the way in which it is interpreted. So I wondered if there were any rules governing its interpretation.

Mr. MUTCH: The very minute you impose direction on discretion, you limit that discretion. Section 70 has come up in this parliamentary committee, in my experience, at least four times; and on at least one occasion your present minister, with one of his colleagues in the cabinet today, and I myself, were those who attempted over a lengthy period of time, to put something in the act under section 70 which would broaden it.

As the present minister has said in his reply to representations made with respect to section 70, he was not of the opinion that it could be broadened by definition, nor am I.

If you attempt to circumscribe the section by definition, the minute you say what it is not, or the minute you say what it is, you limit the opposite.

With respect, I suggest to you that a lot of people have tried to improve it. That is your prerogative. But I suggest to you that it works extremely well; and I suggest further that there will always be dissatisfaction until such time as everybody who applies gets an award, in which event there would be pension for service.

Mr. HERRIDGE: If Mr. Montgomery will move an amendment to the suggestion to provide greater justice along the lines he has advanced, I would be willing to second his motion.

Mr. MUTCH: I would dearly love to say something, but I shall not.

Mr. MONTGOMERY: I think the chairman or the deputy chairman of the commission has really put his finger on it. It is pretty hard to legislate this. If you started to legislate to make it plainer, possibly you would just be giving the pension to everybody who applied.

Mr. MUTCH: If you endeavoured to put in who could get it, I suggest the result would be that everybody who has not been mentioned would be out. You could not help but limit the discretion of the commission if you attempted to define it.

Mr. MONTGOMERY: It may be complaints are made because people feel the commission has not exercised its judgment in their favour. Mr. Beech said he wondered if there was any general rule. I think I can see what you are up against. You must be as generous as you can, and I think that is all we can expect of it.

Mr. MUTCH: I suggest that we are as generous as we can be, and if you ever think that we are not being so, I am quite sure you will want to know why.

Mr. THOMAS: What is the present weight given to medical evidence when a veteran is admitted to the service? Would it have any effect on this particular section of the act? I mean, veterans were given medical examination when they were accepted into the services, both in World War I and in World War II. But on many occasions when they were discharged they claimed pensionable disabilities on account of their service.

In many of these cases the pension board has found evidence that the condition complained of was pre-existing to their entry into the armed services, and on those grounds they have been denied pension.

Is it possible to strengthen this benefit-of-the-doubt clause by providing that some weight shall be given to the medical condition of the applicant as recorded in his medical documents upon entry into the services?

Mr. MUTCH: To begin with, in World War II, unless the man's pre-enlistment disability was recorded at the time of his enlistment and unless it was obvious or recorded if he subsequently served in a theatre of actual war, he would be pensioned for the entire disability.

Originally it was "carefully concealed or obvious or recorded". There are certainly disabilities which are obvious although one man did get into the army with an artificial leg, still, it was obvious if anybody had looked at him.

If it was recorded, and if the man was accepted into the services as thousands were with physical disabilities, it was not considered to disbar him if on the date when he was enlisted it was recorded. He is not thereby

debarred from pension, because he very often would suffer in service an aggravation of his pre-enlistment condition, and this aggravation is pensionable. That is the situation.

This is a statutory provision; and entitlement under that section does not involve section 70 directly.

Mr. THOMAS: The deputy chairman mentioned World War II. What about that?

Mr. MUTCH: In World War I the medical examination, as some of us remember, was very much more haphazard, both in getting in and getting out. But after the lapse of time, when the records of World War II are compared with those of World War I, you will find that they are not comparable. Consequently that is the reason there is such a preponderance of current awards in World War I cases which have to be made under section 70. You cannot establish entitlement from the records. These cases usually go to Appeal before they are decided. There you have the man in front of you and you believe him, or you do not believe him. You see his situation; and my colleagues resolve it under section 70.

This does not apply to the same extent in the case of World War II, where the medical examinations were much more carefully made and where the documentation was much more complete and uniform. While the commission does resort to section 20 in connection with World War II cases, we do not have to do so in anything like the same proportion of cases.

Mr. THOMAS: Has the Canadian Legion made application in former years that you should give more weight to the medical records of persons going into the armed services?

Mr. HERRIDGE: I suggest that we direct this question to representatives of the Legion when they appear before the committee.

Mr. MUTCH: I would say that they have never left anything out; but I cannot answer your question specifically.

As I recollect it, most of the representations of the Canadian Legion have been directed toward the broadening of the application of section 70. In other words, putting it in my own language, it was their view that more people should get awards under section 70 than do get them. The arguments have varied with the cases.

Mr. MONTGOMERY: I think this comes under section 13(1)(C) if I am not mistaken; but I have had complaints that decisions have been made by the board indicating that for reasons obvious or recorded, the pension was turned down; and then, upon reviewing the case on appeal, they have found that there was nothing recorded in the documents. Do you find many cases like that?

Mr. MUTCH: No, but we have found some. It occurs. There was a time when, if a man admitted on pension examination that he had suffered from some pre service condition, resort could be taken to that admission, to show that the origin was pre-enlistment.

As the act is interpreted by my colleagues today, we do not accept a condition as being recorded pre-enlistment unless there is a medical record by a recognized doctor, or the doctor appears before the commission and swears that at the time he did so record it, but as a result of fire or some other catastrophe the records no longer exist. Then his evidence is admissible under oath. But in practice, the applicant cannot admit something to destroy his own case.

Mr. MONTGOMERY: Thank you very much.

The CHAIRMAN: Are there any further questions under item 463?

Mr. THOMAS: Was there a change of ruling made in regard to the evidence of an applicant which would destroy his own case?

Mr. MUTCH: You mean as to what is "recorded?"

Mr. THOMAS: Yes.

Mr. MUTCH: Yes. In 1948 changes were made in the interest of the applicant. I will get the exact date for you.

"Wilfully and deliberately concealed" was taken out of the act at that time; that was thanks to the efforts of some who are still members of this committee, as well as of former committees. At that time it was further recommended that there be a "limitation" of "recorded". The Commission decided that a man's hearsay was not sufficient evidence to destroy his claim. It becomes hearsay to have evidence recorded by the doctor who examined him, or a sworn record by the doctor that he did in fact create such a record, but that the record was now destroyed.

Mr. WEICHEL: What is the position of the veteran of World War I who needs pension today?

Mr. MUTCH: The Act was amended in 1930 to provide that those who had commuted their pension could be restored to pension. The cases were automatically reviewed by the Commission at that time and if it was found that a pensioner's assessment on re-examination was the same as that at the time of commutation, or had increased since that time, he was restored to pension. There are none known to be still commuted and not restored.

Mr. WEICHEL: In the case of a shap receiving five per cent in cash, possibly he might come back and get a ten per cent pension later on.

Mr. MUTCH: Some of those who came back are probably 100 per cent by this time. It depends on what their condition was.

Mr. WEICHEL: I know of two or three cases like that.

Mr. MUTCH: You have in mind perhaps a man with a systemic disease, where it progresses with age. For instance—we have pensioners whose condition grows more serious year by year. I have no doubt some of them would be among that group, and some of them, if still here, would be getting the maximum pension.

Mr. WEICHEL: Have you many cases of veterans and comrades who probably neglected to be examined for pension, and who then came back after so many years and received pension?

Mr. MUTCH: Yes. Pensioners were formerly required—I am going back to World War I—to report for examination prior to the Stabilization policy. But since the establishment of the Stabilization policy, provision exists that when a pensioner is called in for re-examination and he unreasonably fails to report himself for such examination, his pension is suspended.

There have been cases where the pension was small and the man was working, or was away somewhere in an inaccessible place, and he did not appear. Many years later he may have come back and applied to have his pension reinstated.

He reports for examination, and it is found that his pension is "x" percentage, so he goes back on pension at that rate. The question of retroactive awards during the period in which he does not report would depend upon our medical advisors being able to assess what the disability was in fact during the time he did not report. Does that answer your question?

Then, provided he is able to establish that he had not served six months or more in jail his pension is reinstated. He would get two years retroactive pension under the appropriate section, and if he satisfactorily explains

why he failed to report, or where he would have no trouble in showing that his disability during that whole period was not inconsistent with his current assessment he could be reinstated as of the date he was suspended.

Mr. WEICHEL: Supposing a veteran received a pension and was asked to appear before the board, and failed to do so, what would happen?

Mr. MUTCH: He would have his pension suspended.

Mr. WEICHEL: And if he were persuaded to come back, would the pension be made retroactive to that time?

Mr. MUTCH: There again, if his reasons are acceptable, and if it can be demonstrated that his disability was consistent over the period, the commission would have the power to do so.

Mr. KENNEDY: What part do the medical officers play in processing cases?

Mr. MUTCH: Since the basis of the pension is physical or mental disability and the loss of the power to do any normal physical mental act, the medical advisors are the source of the commission's knowledge. They recommend the assessment to the Commission. That is they fix the assessment in the sense of determining what is the loss or the lessening of the power to do any normal physical or mental act. So they are the chief advisors. Their function is advisory to the commission. But in the last analysis, the decision is that of the commissioners, and it is based on all of the evidence.

So far as medical evidence is concerned, the commission leans upon its medical advisors. But when the case gets into the board room or before an appeal board, the commissioners who hear it are seized of the responsibility of considering all the implications of the legislation, of which the advice of the medical advisors may only be one part.

A medical advisor may say, for instance, that in his opinion A is not related to B. But under section 70 the Commission may grant entitlement; but this is not a reflection on the medical advisors. Their duty is limited to that of medical advisors only.

Mr. JUNG: I have seen some of the doctors at the Shaughnessy hospital interviewing some of the patients. Without any reflection on them, may I say that they appeared to be young doctors, recently graduated. Possibly they are interns. The thing that bothers me is this: are those people who are examining pensioners—in the first place they may not be aware of the actual background of the veteran. They may be very keen on the regulations, but how far can their experience take them in their diagnosis of the injury or the disability?

For example, they may be able to say that on the strength of their examination certain facts appear. But unless they have had, shall I say, some long experience or wider background in looking after these things, how much of their lack of background will have an effect? How much would it affect the recommendations which they put to the board, and if so, does the board take into consideration their—for want of a better word—inexperience in diagnosing these things?

Mr. MUTCH: I feel quite sure you are speaking of the doctors on the D.V.A. staff, and the hospital treatment staff, because while it is true our Pension Medical Examiners in your district are much longer in the tooth than any you have described, they are also much older in years and experience and they have, of course, a duplicate file showing the man's whole background. We have a practice of referrals from a Pension Medical Examiner, on our staff to the treatment branch for specialist opinion, but I hardly think it is likely the specialist to whom we would refer a case would be young in years or experience. Our own pension medical examiners are older men; they are experienced and they have at their command the duplicate files containing the whole history.

Mr. JUNG: Well, so long as they have the files at their command.

Mr. MUTCH: Yes.

Mr. JUNG: I am glad you corrected me on that because the doctors I had seen were working in the treatment clinic at Shaughnessy hospital and some of them were rather young. That is why I asked the question.

Mr. MUTCH: I hope a little later on when they are better trained, we will be able to get some of them.

Mr. MONTGOMERY: To follow that up, I think the doctors Mr. Jung is referring to would be D.V.A. staff doctors and not pension.

Mr. MUTCH: That is what I explained.

Mr. MONTGOMERY: But I would like to follow it a step further. Have you on your staff any specialists or do you have a special staff of specialists to whom referrals can be made?

Mr. MUTCH: I think it is correct to say that on the consultant staff of D.V.A.—those specialists across the country to whom the D.V.A. and the pension commission have access for opinions—are most of the outstanding specialists in the country.

The appeal board must be satisfied with the medical evidence. They may reserve their decision and refer the file and evidence to a consultant specializing in a particular type of medicine which is involved. We have at our command ready access to all of the staff of D.V.A. and their hospitals across the country, plus access to the consultants who serve them. In the consideration of his case, it is possible for a pensioner—and this is quite usual—to have the benefit of medical evidence from a consultant, which perhaps some of us could not afford to buy in ordinary life. They are magnificently served by the medical profession in that capacity.

Mr. MONTGOMERY: I understand if the board are not satisfied, they can refer; but can the veteran at the expense of the pension commission have his case referred to a specialist?

Mr. MUTCH: Yes, it is possible. The commission may decide he does not need such advice or if it is the first application they may ask him to get an opinion; and on presentation of that opinion then the chief medical adviser would order the man examined, and his application would be processed.

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): I would like to point out to the committee that the veterans bureau, representing the applicants, have at their disposal all of our treatment services to prepare the case of each applicant. They are in direct contact every day with the consultants in every hospital, and the cost is charged to treatment services. That does not cost the applicant anything.

Mr. MUTCH: That is before they get to us.

Mr. LALONDE: Yes.

Mr. MUTCH: Not being satisfied, we may go to another consultant—the appeal board may or the commission may—and get an additional opinion, but normally you do not.

Mr. LENNARD: Are these consultants supplied by the Department of Veterans Affairs or are they independent of it?

Mr. MUTCH: I think the deputy minister should answer your question.

Mr. LALONDE: They are supplied by the department.

Mr. LENNARD: It is not an independent opinion then?

Mr. LALONDE: It is independent of the pension commission.

Mr. LENNARD: They are all in the same groove; they are part of the Department of Veterans Affairs.

Mr. LALONDE: Well, we feel very strongly that the veterans bureau is never at any time influenced by the Canadian Pension Commission; on the contrary, I can assure you that they try to get a favourable decision in each case.

Mr. LENNARD: Would you take the opinion of an independent consultant?

Mr. LALONDE: If it is necessary, yes. There are cases where the applicant brings in outside doctors.

Mr. MACDONALD (*Kings*): That is similar to the question I wish to ask, Mr. Chairman. How much choice has the veteran in selecting his own specialist?

Mr. LALONDE: Well, it varies with each case. An applicant for pension may have been treated by an outside specialist who knows the background of his case; he gives that information to the pension advocate who will go to that doctor to get an opinion. The pension advocate may want to give more weight to that evidence and have it corroborated by one of our consultants. That happens frequently.

Mr. MCINTOSH: Following up that same argument, are there many occasions when your commission will accept the word of the outside consultant over that of your commission consultant?

Mr. MUTCH: I am sorry, Mr. McIntosh, I missed the first part of your question.

Mr. MCINTOSH: Mr. Montgomery just asked a question about the applicant getting an outside specialist to give his findings, which may conflict with the department's consultant. Now, does the commission at any time, or on very many occasions, take the advice of the outside consultant over that of the commission consultant?

Mr. MUTCH: It does happen. But the commission are bound, not by statute, but by what they themselves describe as the weight of evidence. It has happened in my experience that three outside doctors gave an adverse opinion, and that one somewhat junior doctor on the staff of D.V.A. made such a careful—I was going to say ingenious, but that would not be fair to him—skilful presentation of the case that the man's application succeeded under section 70 in spite of the fact the weight of medical evidence was against him. I do not suggest this is an ordinary occurrence, but it is possible and has happened.

Mr. MCINTOSH: It is not concerned with weight of numbers, but weight of evidence?

Mr. MUTCH: Yes. You asked whether or not the commission could obtain outside information from doctors who were not in any way related to D.V.A. I can tell you that the commissions medical advisers have sought consultation from the American government: that is, the United States Veterans Administration, from specialists like Dr. White, the eminent heart specialist, and a number of eminent specialists in the United Kingdom, in order to be able to obtain a broader consensus of opinion and thereby advise my colleagues on the commission what the weight of medical evidence is. The commission pays for that, not the applicant.

Mr. MONTGOMERY: Then when it comes to writing the decision, is that written by a doctor or by a member of the commission?

Mr. MUTCH: It is written by a member of the commission.

Mr. MONTGOMERY: Have you some medical men on the commission?

Mr. MUTCH: Yes, we have five medical men on the commission.

Mr. MONTGOMERY: But the decision may or may not be written by one of those?

Mr. MUTCH: Yes. If he heard the case. One of the three men who heard the case, in the case of an appeal board, writes it and the others concur and all sign it.

Mr. BEECH: Is there any identification?

Mr. MUTCH: In the case of an appeal board there is no purpose in not disclosing the identification because the applicant appeared before the Board and he knows who his judges were. The only place where we do not normally disclose the source of evidence is in the case of outside medical consultants. On Appeal Boards it would not matter because the man knows who is there; but in ordinary cases we do not disclose the name of a consultant, and this is at the request of the consultants themselves because there were, unfortunately, occurrences in the past where one or two were shot and they seem to be allergic to it.

Mr. MONTGOMERY: I take it the board knows who writes the case out. You must have some identification number.

Mr. MUTCH: In the case of the appeal board, there are only three there and they must all sign it. So that is the result of consultation and I do not know that it matters which one wrote it in the first instance.

Mr. MONTGOMERY: I am referring to the ordinary case that is dealt with. I understand last year we were told that one commissioner writes the case up and it is reviewed by two others and signed. I presume the commission itself knows who wrote the case up.

Mr. MUTCH: Oh yes, we know. Every morning in the commission there are anywhere from an average of 90 to 118 entitlement cases which are distributed among the commissioners who are in the office that week, and they review the evidence and prepare the decisions. Then those decisions go back to the board room and are signed by two commissioners in each case. The man who prepares the decision does not, normally. He may under certain circumstances subsequently receive it for signature; but the effective signatures are the two who sign it in the board room. Another fact is that it does not make any difference whether the man who wrote the decision was a commissioner or someone writing under his direction, because the responsibility for the decision lies with the Commissioners who signed it. But in practice no one but Commissioners do write them.

Mr. WEICHEL: I would like to ask a question, Mr. Chairman. Can any pensioner request an annual medical examination or must he be a certain percentage?

Mr. MUTCH: Any pensioner can appear before the P.M.E. in his district and request examination for his pensionable disability, if he is of the opinion that his condition has worsened since his last examination. I cannot think of any possibility of that being denied, that is for the pensionable condition, unless his disability is one of those for which the medical advisers feel that no possible recognizable deterioration would have taken place. Say, for example, if he was examined in September and came back the first part of December and says he is not satisfied and wants to be re-examined, it is conceivable we might say: no, nothing can be added to your recent examination; go home and wait three months or until you get some evidence that you have worsened in that time.

Mr. WEICHEL: What I mean, suppose in my own case I am well and I have asked for an annual examination just for a checkup. I believe that request has been granted because I have been going to London probably once a year.

Mr. MUTCH: Well, from your own experience you know. If as a pensioner, you feel your condition has worsened and you have any evidence at all, you have no trouble getting an examination.

Mr. O'LEARY: I must apologize, but this question might have been asked while I was attending the fisheries committee this morning. Is it true that there is no responsibility on the part of the commission to establish diagnosis?

Mr. MUTCH: This question was not asked. Would you please expand it.

Mr. O'LEARY: Maybe I can clarify it further. I know we do not want to discuss specific cases, but with your permission, Mr. Chairman, I would like to cite the facts in this particular case. I would like to determine the responsibility for establishing diagnosis.

Mr. MUTCH: Well, the commission relies on the medical advisers for the establishment of a diagnosis and the medical adviser may have to direct that the P.M.E. in the district get outside opinion. But the first responsibility in establishing that diagnosis is on the applicant himself. If he were a pensioner that would make a difference, but on first application he would have to establish it himself.

Mr. O'LEARY: In other words, he would attempt to establish it by consulting his own doctor?

Mr. MUTCH: That is, provided there is nothing in his documents at the time of his discharge or during his service which would lead the medical advisers to think that there was justification for examining the condition for which he now claimed.

Mr. O'LEARY: That is why I must cite this specific case. First, on discharge, this particular man was diagnosed as having narcolepsy.

Mr. MUTCH: I know the case.

Mr. O'LEARY: He was investigated at Camp Hill and his history was not characteristic of narcolepsy; and at a further time there was no evidence to support the diagnosis of narcolepsy. Now, at the present time the diagnosis has not yet been established. Who in the world is going to establish this diagnosis?

Mr. MUTCH: The responsibility in that case would lie with the applicant himself. The commission has no way of establishing a diagnosis other than to refer him for examination. As you have said, this man has had four different diagnostic examinations, the results of which are inconclusive. That is a fair statement.

Mr. O'LEARY: What are you going to advise him to do? First, he was diagnosed on discharge as having narcolepsy. Now the commission rules he does not. I ask the question: if he has not that, what has he got? He has something. Who is going to determine it?

Mr. MUTCH: That gets into the realm of conjecture, where I have no qualifications.

Mr. O'LEARY: Somebody has the responsibility.

Mr. MUTCH: Well, in the first instance, the applicant himself has the first responsibility to establish his entitlement.

Mr. O'LEARY: Well, if I may be permitted, irrespective of the pension commission, what can we advise him to do? To whom is he going to go to establish his case?

Mr. ANDERSON: I think the best thing for him to do would be to obtain a doctor of his own choice and have the doctor say what is wrong with him; then make his application.

Mr. O'LEARY: He has done that.

Mr. MUTCH: The government has examined this man four times at his request and at commission expense. We have been unable to establish any firm diagnosis, and under the circumstances I suggest to you, as my chief has said, until such time as he can confront the commission with a firm diagnosis which they can accept, there is nothing more the commission can do.

Mr. O'LEARY: I do not wish to follow it any further, except to say, if he does not have narcolepsy, is the commission concerned whether or not he has something else?

Mr. MUTCH: I do not like the way you phrased that question. The commission is concerned within its limits of powers and responsibilities with anything that happens to any veteran, but we are not seized with the authority to do anything further than we have done for him. We operate under the statute.

Mr. O'LEARY: So your advice is to have him go to his own physician?

Mr. MUTCH: Yes.

Mr. O'LEARY: And to have a certificate from him?

Mr. MUTCH: Yes, or from a recognized authority on narcolepsy.

Mr. ANDERSON: That would be better.

Mr. MUTCH: We have had ordinary diagnosis; you need a specialist.

Mr. McINTOSH: I am glad that other question was asked. Has the department any record of the number of cases where an application has been made for a pension and they have been turned down by the commission?

Mr. MUTCH: Turned down?

Mr. McINTOSH: Yes, for pension. Can you give me the figure percentage-wise? Is it great or small? I do not need the exact numbers.

Mr. MUTCH: I think I can furnish you with what you wish right away.

Mr. McINTOSH: I have another question following that. On second application, or third or fourth, how many of those are granted?

Mr. MUTCH: I think when I answer one, I can answer both.

Mr. McINTOSH: I can proceed further with this while you are looking through your records.

Mr. MUTCH: We have the figures here; I will get them for you in a moment.

Mr. McINTOSH: While you are looking, I might say in several instances I have not been too happy with the records in these medical cases that have been kept during World War II, because when a dispute arises between two different consultants, one from the department and one from the general public, it seems to me that the commission takes the advice of those from the department; and in a dispute like that possibly the applicant is the only one who knows when his disability originated, if it was medical and not physical.

Mr. HERRIDGE: What is the distinction between medical and physical?

Mr. McINTOSH: One is visible and the other is internal.

Mr. MUTCH: I was trying to think how to answer you. You are distinguishing what we would call "readily apparent disability"; in other words, external as against systemic disease.

Mr. McINTOSH: I would not imagine you would have much trouble with this. It would be something internal, or something which did not develop to such an extent that the man was incapable of performing his duties, was still troubled with it and was possibly troubled with it after his discharge to such an extent that possibly he could not carry on any more. I have known cases where the pension commission did reject and in this case I know personally that the man was aware that it did develop while he was in the service.

Mr. MUTCH: I gather your question now is that you are asking whether or not the commission does not sometimes ignore post-service aggravation of a service incurred condition.

Mr. McINTOSH: You ignore it on medical advice?

Mr. MUTCH: Yes, because the doctors sometimes say while this man had a certain condition during service, the subsequent development of this is not related to service as such. Is that it?

Mr. McINTOSH: A private doctor may say in going back over an individual's history that this did originate at such and such a date while he was in the service, although it may not be recorded in his documents. He may have been in the hospital and discharged A.N.D.; and the commission doctors will say that was not the cause at all, that they gave him certain tests and there was no showing of a nailment such as that.

Mr. MUTCH: There could be times, no doubt, when the commission on its own responsibility, with the advice of its advisers, disagree with the diagnosis of the doctor of choice on the spot. However, I cannot think of any possible way to avoid that.

Mr. McINTOSH: Well, I agree with you on that. I was just wondering what the percentage of your cases was.

Mr. MUTCH: It is not kept. I think they would be comparatively low; and the reason I say that is that we have respect for the probity of the ordinary practising doctor, in spite of the fact he may have attended the lad from the time he was born and been his family physician. There are doctors who are like some other people of whom it is said: "it is a poor man who will not promise a friend a pup". But we have a habit in the commission of requiring these doctors who give evidence as to the relationship of disabilities to appear before the commission, where they are put on oath. Personally I do not know any doctors who would put themselves in that position. The odd time a doctor will give an opinion to the applicant, or to the veterans bureau. Then he will be summoned before the Appeal Board and say—and I am not suggesting it is not in good faith—"Gentlemen, it is true I signed this, but at the time of my examination I was not aware of all the facts".

Mr. McINTOSH: Did I understand you to say you had no record of the applications that had been rejected?

Mr. MUTCH: You asked me for the ones that had been rejected against the advice of the local doctor. The total numbers of W.W. II cases heard have been prepared for me. From September 1, 1939, to January 1, 1959—these are World War II cases with service in Canada—there were granted 55,887; not granted, 137,783. That is a total of 193,670.

Mr. McINTOSH: In other words, you accept about one third of the applications?

Mr. MUTCH: A little better than one third of the applications of these World War II cases with service in Canada were favourable, percentagewise it is, accepted, 28.86; rejected, 71.14. In World War II cases with service outside Canada, the percentage granted is 64.05%.

Mr. STEARNS: May I ask, Mr. Mutch, how many pensioners we have who are pensioned for mental disabilities? Are there many?

Mr. MUTCH: I could get you that information.

Mr. STEARNS: I just wondered if there were a number—because how do you review those cases? They might be sick today, and well next week for a short time.

Mr. MUTCH: The ones that are readily accessible are ones who are undergoing institutional care. It would be easy to get that figure.

You are perhaps aware that it has not been the policy of the Commission over many years to make payment of pensions in respect to lesser mental disorders, on the basis that it is bad therapy. When you tag a man with a mental disability, he is likely to quit. So those figures would be pretty nebulous. The cases that are institutionalized could be easily obtained; but I have not those figures here. We do not encourage people who are mentally disturbed to believe it themselves, by paying them for it.

Mr. STEARNS: So they are taken care of by veterans allowances while they are sick?

Mr. MUTCH: They are assisted in our district offices, in very many cases, to find suitable employment where they are able to justify themselves to themselves, and forget they are sick.

Mr. JUNG: Mr. Mutch, you may not wish to answer this next question because it may involve a question of professional recognition. Has the pension commission ever recognized evidence by a chiropractor?

Mr. MUTCH: As such?

Mr. JUNG: A chiropractor who is a chiropractor only; and then a person who is also an M.D. and a chiropractor.

Mr. MUTCH: I can answer the question by saying that the commission considers all available evidence. If you ask me how my colleagues weigh the evidence of a chiropractor against the evidence of a consultant or doctor of choice, I cannot answer that; and I doubt if the Commissioners could, or would. For certain purposes the evidence might be very valuable. For factors involving internal medicine, I do not think it would be rated very highly. That is my opinion.

Mr. JUNG: I realize that. There is one doctor in Vancouver whom I know personally. He is a doctor who did work for the department at one time, I think. He was also a chiropractor, and I was wondering whether or not his services have ever been sought.

Mr. MUTCH: I would expect, not professionally. That is, in his capacity as a chiropractor. There are a number of osteopaths who are qualified doctors and who give expert opinions if they are asked for them. You are asking me whether we recognize a chiropractor's opinion as expert evidence.

Mr. JUNG: That is why I said you may not wish to answer the question.

Mr. MUTCH: I have answered the question the only way I can. We take everybody's evidence and weight it in accordance with the facts.

Mr. SPEAKMAN: I will add a little bit to the baptism of fire of the new chairman of the Pension Commission.

During the Easter recess I had occasion to visit a hospital ward of World War I veterans, all of whom were 50 per cent or more pensioners and all of whom were in the hospital for what the Pension Commission considered to be not related illnesses. These men were all 60 years of age and over, and in the main their pensionable disabilities arose from gas and shell-shock in the first World War, and their present illnesses are a result of a general physical deterioration. Yet no recognition is given to that deterioration by the Pension Commission with respect to (a) treatment, and (b) additional pension.

I should like to know if it is because of the rigidity of the regulations that that is so, because we realize that the present condition of these people perhaps cannot be immediately or closely related to their pensionable disability, but at the same time I think in all fairness we would have to say that this deterioration comes as a result of their pensionable disability.

Mr. MUTCH: If you are addressing that to me, I would think that without having all the facts of the case it would be impossible to assess the relationship of a condition which may be their disabling condition at the present moment to the disability for which they are receiving a 50 per cent pension. These men may be suffering from the process of senility which is not pensionable per se. Some of them are. But you said they all had a 50 per cent pension?

Mr. SPEAKMAN: All 50 per cent and over.

Mr. MUTCH: And are they hospitalized because of their pensionable condition?

Mr. SPEAKMAN: No.

Mr. MUTCH: How did they get in? How are they hospitalized? Are they hospitalized because of war veterans allowances?

Mr. SPEAKMAN: No. I will cite one specific case, the one that I was most closely interested in. This man is 60. He was granted a pension of 50 per cent about 1932, which was an upward revision from an original award in 1922 of 5 per cent. The pension was for gas and shell shock.

During the past two years he has spent something like 19 months in hospital with various illnesses, and I would suggest that they are aggravated, or brought on, perhaps, by his pensionable disability. Yet he has been requested, of course, to pay for his hospitalization, and he is not in a financial condition to be able to pay. There is no consideration being given to looking after his treatment or to an increase in his pension, although he is completely unable to work and is totally incapacitated.

Mr. MUTCH: The Pension Commission has no authority to extend other treatment or benefit to a pensioner for any condition which has not been ruled as being related to his service or his pensionable disability. First of all, he comes through the door of entitlement; he is entitled to hospitalization at any time for his recognized pensionable disability. Beyond that, the department recognizes him for treatment. But the pension commission does not enter the picture beyond that, unless he has other conditions which are eventually ruled to be either consequential and related to his pensionable condition or to be directly connected to his service. So we do not enter into that.

Mr. SPEAKMAN: That is what I am getting at. Why? Because this man has been recognized as a 50 per cent pensioner—not for a physical disability or an external disability, but for an internal disability. He has had various short periods of hospitalization for his pensionable disability since the time of his service in World War I.

He is not senile, as you suggest—not at 60 years of age. Mentally he is a very alert man, but his condition has deteriorated to the extent that he is no longer able to earn anything. My suggestion is that perhaps we should look into these things, because with internal injuries caused by gas and shell shock there is no outward evidence and I presume it is very difficult to determine the exact extent of the injury as such.

Mr. MUTCH: An answer to your question, I suggest to you, would be better given by the treatment branch than by the commission. We have no power to deal at all—as I said before—with anything other than those conditions which are pensionable and for which pension has been awarded.

Mr. SPEAKMAN: Well, perhaps I am not making myself very clear. What I am trying to get at is this. In cases of this nature, where it is difficult to draw an exact line as to the aggravation, does not the pension commission think that they should perhaps assume a little more responsibility?

Mr. ANDERSON: Has this particular person made application for an increased assessment?

Mr. SPEAKMAN: Quite.

Mr. ANDERSON: That would be the answer, really.

Mr. SPEAKMAN: He was hospitalized on one occasion for over 14 months, from which time he made repeated requests for an increase in his pension.

Mr. ANDERSON: That would be the answer, if he could establish an increase in his assessment.

Mr. SPEAKMAN: He has made repeated requests, which were not recognized.

Mr. MONTGOMERY: Was it ever followed up beyond the first medical examination?

Mr. SPEAKMAN: Well, I am following it up now.

Mr. MUTCH: You appreciate, gentlemen, the impossibility of my giving you an intelligent guess on the situation. I will say this, that if you will give me the information in this case, I will get the file and, to the best of my ability, tell you what he has, why he got it and why he cannot get anything else, if he cannot.

Mr. SPEAKMAN: I will do better than that, Mr. Mutch. I will write to Edmonton and get the record of his hospitalization over the last two years, and we will tie that in with his record.

Mr. MUTCH: We will have all that.

Mr. SPEAKMAN: You will have his service, not the hospital record.

Mr. MUTCH: Yes, we will have his hospital record. Was he in a departmental hospital?

Mr. SPEAKMAN: Yes, he is not at the Pavillon.

Mr. MUTCH: Tell me who he is, what his number is, and I will tell you what we know about him.

Mr. SPEAKMAN: I will look that up.

Mr. MACDONALD (*Kings*): Are gas casualties from the first world war eligible for the automatic increases at certain ages, as are people with gunshot wounds?

Mr. MUTCH: I will have to say the answer to that is "No".

Mr. BEECH: Getting on to the estimates, Mr. Chairman, I notice that the 26 medical officers grade 2 are not there any more. They have all been increased to medical officers grades 3 and 4. Does that mean we are getting better medical officers, or is that just a way of getting an increase in salary?

Mr. MUTCH: That was a reclassification due to a statutory increase, of course.

Mr. BEECH: So you are not going to have any more medical officers grade 2—they are all wiped out?

Mr. MUTCH: I cannot give you a categorical answer to that.

Mr. LALONDE: I can give you this information. Last year the Civil Service Commission made a survey of all medical positions in all departments across Canada and came up with a new scale. This change is a result of that survey.

Mr. BEECH: The same thing applies, I suppose, to the supervising clerks. I see there were 24 principal clerks last year, and now there are only 16. They have all been made supervising clerks now. I suppose that is all in line with what you have said?

Mr. MUTCH: I did not quite hear your question.

Mr. BEECH: I notice that last year there were 24 principal clerks, and this year there are only 16, but there are 15 supervising clerks. I imagine they have been changed and elevated there also?

Mr. MUTCH: This is the result of the Civil Service Commission re-classifying their duties. If one has gone down a grade, the other has gone up a grade, in accordance with the review going on by the Civil Service Commission.

Mr. THOMAS: Before we get down to the details of the estimates, there are two more questions I would like to ask. I would first like to revert to the restoration of pensions that was brought up by, I believe, Mr. Herridge.

Mr. HERRIDGE: No.

Mr. THOMAS: By Mr. Weichel. Mr. Mutch mentioned that imprisonment might have an effect there. I wonder if he could enlarge on that, with this in view. Is the matter of using pensions, therefore, for disciplinary purposes possible?

Mr. MUTCH: It is statutory. The statute provides that when a man is sentenced to a term of imprisonment in excess of six months, the pension on his behalf is suspended during the period of his incarceration. But if he has a wife and dependent children, the commission has the power, under the act, to continue to pay that pension to the wife for administration on behalf of herself and the children, together with the additional pension payable to the children under those circumstances.

The commission has very broad discretion in respect to section 90 in the act. For instance, in one case of which I am aware we continued pension to a pensioner, who was a prisoner, during the whole of his term of imprisonment, because he utilized his imprisonment to take, very successfully, a course of education which we felt would assist him to rehabilitate himself when he got out.

The discretion is very broad. But normally he forfeits his pension during the period he is in prison, if he is sentenced to a term of more than six months. Have I helped you?

Mr. THOMAS: It does not necessarily cut off benefit of his pension from any dependents he might have?

Mr. MUTCH: That is always reviewed on application to the commission, and the commission has the power to, and very frequently does, continue the pension in whole or in part to his family for administration, and allows the additional pension that flows to them.

Mr. THOMAS: Thank you. The other question, Mr. Chairman, has to do with this question of automatic increases on account of age to those pensioners who are pensioned because of disabilities caused by gas in World War I. Can you give us any idea why this distinction is made? I understand, for instance, that if a person is an amputee, or has some other pensionable disabilities, he receives automatic increases on account of age. Why not in the case of those who have suffered disability through being gassed?

Mr. MUTCH: The residual effects of gassing are found in conditions which we describe as systemic diseases. They are not the result of trauma; they are not the result of amputation, shooting, or something of that kind.

The Pension Act provides, once entitlement is granted, that the pension rate increases, upon examination from time to time, as the disability from it continues to grow. The pension may, and often does, go as high as 100 per cent. Consequently, the principle of automatic increases with age has never been applied to those conditions which, as I said, are described as systemic diseases.

In its origin, the automatic increase with age was granted for amputees, because it was said that once your arm was off at the elbow, you were never going to get better. It was argued at that time that these men with amps, particularly leg amps, as they grew older and heavier, while their original disability could not increase, their actual disability got worse as far as earning a living was concerned. So in the beginning it was a special provision for amps. Then it was broadened a couple of times after that. But it has never been broadened to include disabilities which may be pensioned at a higher rate at any time when, upon examination, the disability from the condition has been demonstrated to have increased.

Mr. WEICHEL: Mr. Chairman, I was going to ask Mr. Mutch this question. In the case that Mr. Speakman was talking about, what percentage of badly shell-knocked and gassed veterans are eventually brought back through hospital treatment so that they can follow their daily obligations? I was wondering how treatment is benefiting those cases.

Mr. HERRIDGE: What obligations do you mean? Work and—

Mr. WEICHEL: Any obligations such as you and I have.

Mr. MUTCH: I do not know where personal opinion and history divides itself here. Actually, there are very few, if any, persons who are being pensioned for gassing as such. There are persons who are pensioned for conditions which may have resulted from gassing or from something else. But gassing as such, if the man who was gassed survived, has not been and is not pensioned as a disabling condition. The residual effects may be. But gassing as such, no. Does that answer your question?

Mr. WEICHEL: I was wondering whether the treatment they are receiving is quite effective; if it is bringing these fellows back to normal health.

Mr. MUTCH: You mean the gassed patients?

Mr. WEICHEL: Yes; and shell-shocked people. I remember at Westminster hospital men who have been there for 15 and 20 years who are shell-shock cases, and I was just wondering if they ever have a chance to recover enough to take an active part in daily life.

Mr. MUTCH: There are not too many who are pensioned for shell shock as such.

Mr. WEICHEL: But if there are?

Mr. MUTCH: If they have that entitlement and manifest symptoms of it, they would be entitled to treatment. So far as gassing is concerned, I doubt if anyone seriously affected by gas has been alive for the last 15 or 18 years.

Mr. WEICHEL: With regard to these shell-shocked cases in the hospitals, they may not be pensioned but they are being looked after?

Mr. MUTCH: Yes. They are called functional nervous cases. There were no shell-shocked cases in World War II, and the World War I's, so defined, are called functional nervous cases. They are looked after.

Mr. SPEAKMAN: They were called "bomb-whacky", not "shell-shocked", in the last war.

Mr. McINTOSH: Referring to the estimates, Mr. Chairman, and the classification of medical officers, are these men full-time employees of the department? If so, how does their income compare with the average income of a similar profession as recorded in the press each year—averagewise?

Mr. MUTCH: The medical officers of the Pension Commission are occupied in full-time. It is provided that they may have outside activities, out of office hours with the approval of an Order in Council; but the extent to which that is taken advantage of is limited.

The Pension Commission medical examiners in the districts are also full-time officers. The only medical people who are not full-time are those consultants to whom we have access, outside of the D.V.A.

Mr. McINTOSH: That answers the first half of my question. The second half—

Mr. MUTCH: As to their salaries—how they compare?

Mr. ANDERSON: Is it a question of how they compare with salaries of other medical officers being paid on a salary basis, or with other medical people in public practice?

Mr. McINTOSH: With other medical people.

Mr. MUTCH: To answer that question I would have to get a comparison—which I would like to call an informed guess—from the Canadian Medical Association—

Mr. McINTOSH: Actually, those figures are published, I believe, in the *Financial Post* from statistics taken from the Department of National Revenue each year.

Mr. LALONDE: May I point out, Mr. McIntosh, that this is the declared income. As I said a moment ago, last year, following representations made over a period of time, the Civil Service Commission decided there was quite a bit of difficulty in recruiting doctors for the Civil Service, and this was not specifically applicable only to the Pension Commission or the department; it was a general situation which applied to all departments.

Mr. McINTOSH: I have no intention of casting any reflection on the doctors employed on your staff, but I was wondering whether the type of doctor that you have on your staff could have earned more in public practice than you are paying. In other words, what type of doctors have we as consultants?

Mr. WEBSTER: The doctor who is employed by the department has his nurses, his office, equipment and everything else supplied, whereas the civilian doctor would have to supply them himself.

Mr. McINTOSH: That is what I am trying to find out.

Mr. LALONDE: The only answer we can give you is that the pay research bureau of the Civil Service Commission, having established an average income for doctors outside the Civil Service, and wanting to apply the rule that the income in the Civil Service should be comparable to that outside the Civil Service, has come up with those figures.

Mr. McINTOSH: Are you having any trouble finding doctors to cover these positions?

Mr. MUTCH: There is just one major difficulty, and that is this. Once or twice in the last few years it has been somewhat difficult to preserve what we have adhered to in the way of a requirement that the doctors employed by the commission shall have had military service.

You can realize that the World War I doctors, like the rest of us, are wearing out; and those of World War II, the ones we want are not too quick to go into institutionalized work. But I think it would be fair to say that at the present time we are having less difficulty than we had a few years ago and that we are not being unduly deprived of good, competent officers.

Mr. McINTOSH: I am very much interested in the statement that you made to the effect that you are having great difficulty in getting the ones that you want to come to the department.

Mr. MUTCH: There are the smart, up-coming ones, who might be able to make more money somewhere else.

Mr. McINTOSH: What seems to be their objection to coming to the department? Is it the salary?

Mr. MUTCH: People in this country, generally, who are established at all, do not break their necks to get into the Civil Service in good times.

Mr. BEECH: I notice there are 10 new administrative officers appointed. What is their functions?

Mr. MUTCH: Where is that, Mr. Beech?

Mr. BEECH: In the estimates. You have administrative officers grades 1, 2 and 3, and there are now 10 administrative officers grade 1.

Mr. MACRAE: That is page 563, I think.

Mr. MUTCH: Actually, the detail of this is more than I can carry in my head. There has been a reclassification throughout. You will notice whereas formerly we had 420 all groups, there are now 419. There is a decrease of one, but it is a matter of adjusting duties in conjunction with the Civil Service Commission in surveying the various groups. It is as a result of review of positions and reclassification.

Mr. MONTGOMERY: I notice that last year there were 12 head clerks and that this year there is one.

Mr. MUTCH: Some of those have become administrative officers, class 1. They have been granted an increase because they have been asked to accept more responsibility.

Mr. MACDONALD (*Kings*): There is an item concerning pension visitors. Could you tell us what they do?

Mr. MUTCH: Yes. The commission has authority to employ, at district offices, certain persons whose responsibility it is to make investigations upon which the commission can base its decision. Unfortunately the coverage of pension visits across Canada is not as broad as it once was because we have, as a matter of policy, resorted to the practice of getting the services, in many districts, of the war veterans allowance officers who are investigators; they make reports for us. However, whoever does it, this function is performed at the request of the Commission to search into the financial circumstances of an applicant. Of course that would not apply to a veterans entitlement to disability pension. It is mostly in cases of the dependents, separated husbands and wives, and children from broken homes, and that type of thing. That is the nature of it.

Mr. MONTGOMERY: Quite a few of these persons are ladies?

Mr. MUTCH: A percentage are, particularly in the cities. One of the most valuable we had was a lady who unfortunately retired since the last Committee. Item agreed to.

CANADIAN PENSION COMMISSION

464. Pensions for Disability and Death, including pensions granted under the authority of the Civilian Government Employees (War) Compensation Order, P.C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; and including Newfoundland Special Awards \$151,474,000

The CHAIRMAN: We have spilled over into this item during the general discussion. Have we any further questions on item 464? It is on page 82 and the details are on page 564.

Mr. HERRIDGE: What would these Newfoundland special awards be composed of?

Mr. MUTCH: These were awards which were taken over at the time of confederation which did not fit into the provisions of Canadian legislation as it then existed.

Mr. MONTGOMERY: Does the item in respect of the compensation order include accidents in the Department of Transport or others?

Mr. MUTCH: It applies to persons in any branch of the government service. By direction of the Privy Council it is administered by the Pension Commission. It is in respect of accidents which occur to a civil servant in the course of his duties. The adjudication of it is provided for by the order in council. It is in respect of a non-scheduled flight. Regular airline services are protected.

Mr. WEICHEL: When a man is badly hurt in manoeuvres in the reserve army does that come under the defence forces—the peace time forces?

Mr. MUTCH: You mean does he come under it for pension?

Mr. WEICHEL: Yes.

Mr. MUTCH: If his death or injury arises out of, or is directly connected with his service as such, he would have entitlement under section 13 of the Pension Act. That provision is there.

Mr. McINTOSH: Have we reached the item which covers gallantry awards and so on?

The CHAIRMAN: That is the next item.

Item 464 agreed to.

CANADIAN PENSION COMMISSION

465. Gallantry Awards—World War II and Special Force \$ 21,000

Mr. McINTOSH: I have a question in respect of World War I recipients of the military medal. I understand that the Canadian Legion at the dominion convention held in Vancouver recommended, as I understand it, that the same provisions apply to World War I recipients as apply to World War II recipients. As I understand it, World War II recipients of the military medal received \$100. That did not apply to the World War I recipients of the military medal. Has anything been done about that?

Mr. Mutch: These awards are all paid by the United Kingdom in respect of World War I. They did not make financial awards for recipients of the military medal in World War I. Negotiations have been going on between the government of Great Britain and my minister with reference to the ultimate disposition of this. The situation at the moment is that the recipients of the military medal from World War I are not in receipt of a monetary award as they are in respect of World War II.

The World War II awards were taken over by the Canadian government, whereas in the case of World War I they were paid by the British. It is still a matter of active discussion between the Department of Veterans Affairs and its counterpart in the British government. There is no provision at the moment for payment of a monetary award for the military medal in World War I.

Mr. ROGERS: What is the award for the D.C.M.?

Mr. Mutch: A \$100 gratuity. If he is awarded a disability service pension he is entitled to a veterans allowance of 12½ cents per day in lieu of the gratuity.

Mr. McINTOSH: Could I be advised by one of the members in the department what the reasoning is behind our government paying the World War II recipients and not the World War I recipients? Why the discrimination?

Mr. ANDERSON: I think the answer is nobody paid the World War I recipients. There was no payment made in World War I by Canada at all. The awards were granted by the British, and Canada paid nothing in World War I to anybody. They took it over in the second world war. There is provision for paying in respect to World War II but none in respect of the first world war.

Mr. WEICHEL: I believe the British award under the D.C.M. is doubled.

Mr. Mutch: Just recently.

Mr. McINTOSH: Can anyone say when this negotiation which is still under way will be settled?

Mr. Mutch: The last correspondence I saw was a reply which did not amount to an answer and I minuted it to my minister, saying that it leaves the main question unanswered. I cannot give you anything more than that. I do not think there is anything more.

Mr. HERRIDGE: Would it require legislation to authorize the payment of awards in respect of decorations in the first world war?

Mr. LALONDE: I think it would require an item in the estimates. Last fall, Mr. Boyd-Carpenter in the United Kingdom discussed this with the minister. There has been some correspondence between the two governments

since then. There have been side issues which have developed and these are being considered now by our minister together with the minister for the United Kingdom. I think it would require an agreement to the effect that Her Majesty would relinquish this authority which she has had over the granting of awards and gratuities and pass this on to the Canadian government. It would, of course, have to be accepted by the Canadian government as well. This is in the process of negotiation at the moment.

Mr. McINTOSH: Would a recommendation from this committee assist the minister in any way, or is it necessary?

Mr. LALONDE: I do not think it is necessary. I know the minister has received the suggestion. He is studying the implications with the United Kingdom government and I think there should be some solution.

Mr. McINTOSH: As deputy minister, could you give us any information as to when you think the negotiations will be concluded?

Mr. LALONDE: That is a little hard to say, but I think it would not take very long.

Mr. McINTOSH: During the year 1959?

Mr. LALONDE: I think so.

Mr. HERRIDGE: I think this matter could be very quickly cleared up in the Progressive Conservative caucus.

Item 465 agreed to.

The CHAIRMAN: That concludes our consideration of the estimates of the Canadian Pension Commission and, coincidentally it is almost one o'clock.

We meet again at 3:30 on Monday and will continue our consideration of the brief from the Canadian Legion.

Have we any questions at this time?

Mr. WEICHEL: Is the disabled veteran of the second world war who has the military medal paid so much per year, the same as in the case of the D.C.M.?

Mr. MURCH: If he is pensionable he would get 12½ cents a day in lieu of the lump award.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament
1959



STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

Estimates 1959-60 of the Department of Veterans Affairs

MONDAY, APRIL 13, 1959

WITNESSES:

Mr. D. M. Thompson, Canadian Legion; Mr. L. A. Mutch, Canadian Pension Commission; Mr. F. J. G. Garneau, War Veterans Allowance Board; Mr. Lucien Lalonde, Deputy Minister, Veterans Affairs; Dr. John N. Crawford, Director of Medical Services.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

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Vice-Chairman: G. W. Montgomery, Esq.,
and Messrs.

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Broome	Macdonald (<i>Kings</i>)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.
MONDAY, April 13, 1959.

The Standing Committee on Veterans Affairs met at 3.30 o'clock p.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Badanai, Beech, Carter, Clancy, Dinsdale, Fane, Forgie, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, MacRae, Matthews, McIntosh, Montgomery, O'Leary, Parizeau, Robinson, Rogers, Speakman, Stewart, Weichel, Winkler.

In attendance: From the Department of Veterans Affairs: Mr. Lucien Lalonde, Deputy Minister, Mr. F. T. Mace, Assistant Deputy Minister; Dr. John N. Crawford, Director of Medical Services; Mr. G. H. Parliament, Director General, Veterans Welfare Services; Mr. C. F. Black, Secretary of the Department; Mr. J. G. Bowland, Research Adviser.

From the War Veterans Allowance Board: Mr. F. J. G. Garneau, Chairman.

From the Canadian Pension Commission: Mr. T. D. Anderson, Chairman; Mr. Leslie A. Mutch, Vice-Chairman.

From the Canadian Legion: Mr. D. M. Thompson, Director, Service Bureau; Mr. M. MacFarlane, Mr. Bert Hanmer, Mr. D. A. Knight, Service Officers; Mr. N. Shannon, Director, Public Relations.

From the British Ministry of Pensions: Mr. George Harvey, representative.

At the opening of the proceedings the Chairman invited the Chairman of the Canadian Pension Commission to address the Committee. Mr. Anderson made a brief statement.

The Committee resumed study of the brief presented by the Canadian Legion, with Mr. D. M. Thompson under questioning.

During the study of the brief the following were heard:

Mr. Mutch, Mr. Garneau, Mr. Lalonde and Dr. Crawford.

Mr. Montgomery, Vice-Chairman, presided for a time during the sitting.

At 6.00 o'clock p.m. the Committee adjourned to meet again at 11.00 o'clock a.m. Thursday, April 16, 1959.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

MONDAY, April 13, 1959.
3.30 p.m.

The CHAIRMAN: Gentlemen, we have a quorum. We have considerable business to get through this afternoon, so we will commence without further delay. The purpose in meeting today is to consider in further detail the brief submitted by the Canadian Legion some two weeks ago. You had a copy of the brief dated March, 1959, and in turn it was printed in the minutes of our proceedings, copy No. 7.

It has been suggested that for the sake of orderly discussion we follow the brief as it is printed in the minutes of the proceedings. If you have not a copy, I think the Clerk of the committee can supply you with one. You will find the Legion brief printed, beginning at page 201 of the minutes.

I believe that the chairman of the pension commission has a statement to make before we begin our regular business. Mr. Anderson.

Mr. T. D. ANDERSON (*Chairman, Canadian Pension Commission*): Thank you, Mr. Chairman.

Mr. Chairman and gentlemen, as you are aware—at least, as most of you will be aware—the sections of this brief which are now before you and dealing with the Canadian Pension Act have already been presented to the Prime Minister. They were presented last October. They have also been the subject of some discussion with the Minister of Veterans Affairs, and the minister wrote to the Canadian Legion with respect to items contained in the brief shortly after we discussed the matter with him at that time. He pointed out that there were a number of items in the brief which would require amendments to the Pensions Act and that those items would be looked into at a later date.

As you know, he announced here at a meeting the other day that that was going to be done. He also made reference to some suggestions contained in the brief which affect the policy of the commission.

I am pleased to be able to say that at least one of those items was considered at a meeting of the full commission last week, or the week before last—I have just forgotten which but in any case, it is referring to sections 26(3) and (4), which deal with children entitled to be maintained.

The commission agreed to amend its policy at that time in order to make it possible to pay pensions to those particular children referred to in that section of the Legion brief. You can look at that in a few minutes, because it will come up for discussion; but, at any rate, the commission has agreed that the entitlement should be made in some of those cases.

I think, Mr. Chairman, that is all I have to say at the moment. If anything comes up later on with regard to which I can be of any help, I shall be glad to say a word.

The CHAIRMAN: Thank you very much, Mr. Anderson. We can resume now on page 201 of the minutes. The president, Mr. Burgess, is not with us this afternoon, but we have representing the Legion, Mr. "Don" Thompson, who is the director of the Canadian Legion Service Bureau at national headquarters. He also has some other supporters with him. I think, Mr. Thompson, if you would introduce them at this time, it would be helpful to the members of the committee.

Mr. D. M. THOMPSON (*Director, Canadian Legion Service Bureau*): Thank you, Mr. Chairman. We have here Mr. MacFarlane, one of our service officers of dominion command; Mr. Hanmer, another one of our service officers; and Mr. "Don" Knight, from our service bureau. We also have brought with us today Mr. Conyers, who is a new addition to our dominion command staff. He has recently come from Halifax. There is also Mr. Arthur Sauer from Ontario command service bureau; and Mr. Shannon, the director of public relations, dominion command.

The CHAIRMAN: Thank you, Mr. Thompson. It is helpful to the members of the committee to know the personalities of the Legion, because we do have to talk with them from time to time. Referring to Mr. Hanmer, I think he resolves all problems relating to imperial veterans. Is that right, Mr. Hanmer?

Mr. H. HANMER (*Service officer, Canadian Legion*): Yes.

The CHAIRMAN: We are glad to have you all here this afternoon, gentlemen. The first item in the brief was concerned with increase in pension rates. Have we any questions on that topic? It is page 201 of the minutes. If you require a copy of the minutes, there is one here. Have we any discussion on this aspect of the Legion presentation? You can also find it in the yellow book, if you do not have a copy of the minutes. No questions?

Mr. CARTER: Mr. Chairman, the question I am going to ask does not have anything to do with this. Did the minister intimate to the committee at an earlier meeting that he was not contemplating making any amendments to the Pension Act at this session?

The CHAIRMAN: Yes; that statement was made the morning we had the original presentation of the Legion and the Canadian corps. This year the department is amending the Veterans Land Act. Next year they anticipate amendments to the Pension Act.

Mr. CARTER: Thank you. I wanted to verify that.

Mr. McINTOSH: Mr. Chairman, I notice that they base the reason for an increase on the wage index. I wonder why they did not take it on the cost of living index. What has the wage index to do with pensions?

Mr. THOMPSON: Mr. Chairman, the reason for the wage index being considered is that we believe that the standard of living of the disability pensioner and the dependents of the pensioner should not be governed entirely by the cost of living, that the cost of living does not always reflect the standard of living in the country. We believe that disability pensioners and their widows and children should enjoy some of the improved and increased standard of living that is enjoyed throughout the country, which is not accurately reflected by a straight cost of living index.

Mr. KENNEDY: Mr. Chairman, is it not also a fact that when the pensions were originally set up, they were set up in relation to the wages of the day.

Mr. THOMPSON: That is our understanding, Mr. Chairman, that originally it was intended that they bear a relationship to the—the term has been used, "the position of the man in the unskilled labour market". That term "unskilled", of course, is a pretty broad one, but we do find—and I would direct your attention to this—that in the earlier days of pensions there was a relationship between at least two categories of federal civil servants and the 100 per cent disability pensioner. We bring that out in our tables in the brief, and it is on page 202 of No. 7 of your proceedings and evidence.

We show the relationship there in 1920 of the married pensioner. The married pensioner at that time was getting \$1,200; the married private soldier, with pay and subsistence was getting \$1,130—which is fairly close to \$1,200 and the customs guard was getting \$1,260. The cleaner and helper was getting \$900.

We point out further in the table where these people now have had their incomes increased several times over, and they are now out of the relationship that once existed between the higher percent married pensioner and those classes of civil servants, and the private in the army.

The CHAIRMAN: Are there any further questions?

Mr. McINTOSH: I would just like to get a point in there. I wonder why they did not relate it to the income of the farmer?

Mr. FANE: That would not be too good.

The CHAIRMAN: Does that complete the first item?

Mr. LESLIE MUTCH (*Deputy Chairman of the Canadian Pension Commission*): Mr. Chairman, there is just one point I think should be made with respect to this table in comparing the married pensioner with a non-pensioner in the lower employed ranks. This table does not take into consideration additional pension paid to the pensioner on behalf of his wife and dependent children. He does get assistance in that respect, whereas the labourer in the common labour market has to maintain all his responsibilities from his daily wage.

I am not offering this as an argument against the representations but to point out that the figures—as is so often the case—do not paint a wholly conclusive picture of the discrepancy. For instance, a married pensioner, 100 per cent, with two children, would be getting \$255 a month from the commission itself, whereas his personal maximum, is \$150. The total award does increase as the responsibilities increase. That, I admit, still leaves a gap.

Mr. THOMPSON: Mr. Chairman, just to keep the record straight, I would say this. As I read our table on page 202, we show the single pensioner as \$900 in 1920, and the married pensioner \$1,200. So I would suggest we have made allowance for the fact that additional pension was paid on account of the married pensioner.

The married pensioner, with or without children—we feel that the number of children that pensioners have is beside the point. It is a pension that you cannot fix exactly, and I think we would all agree that the maximum that is paid on account of a child, \$20, \$15, and \$12 per month normally for children, first, second and third, in addition to the pension the disability pensioner gets, certainly does not come anywhere near meeting the costs of raising those children today.

So we have taken the married or the single rate and we have taken into consideration the additional paid on account of the wife.

The CHAIRMAN: Is there anything further on this first item? The second item of the brief is revised rates for dependent parents. Are there any questions on the second item?

Mr. CARTER: It is a point of discrimination between a widow and a dependent parent; one gets \$115 and the other \$90. I think that is the real point the Legion is making in their representation and I do not see how you can justify that discrepancy.

The CHAIRMAN: Mr. Mutch has a comment.

Mr. CARTER: The needs of a dependent parent would be comparable to the needs of a widow, and a widow receives \$115 but the dependent mother receives only \$90.

Mr. MUTCH: Mr. Carter, the answer that has always been given is that while the responsibility for a wife is absolute, the responsibility for a mother is not enforceable, and the distinction has always persisted in the legislation. I am giving you an historical background and an historical answer. The responsibility a man has for his wife is enforceable and in the case of a widowed mother it is not. The widowed mother of a veteran pensioner is given an

advantage over another widow of non-service connection; and that has always been pointed to as a recognition. But the commission and past governments have not held that the responsibility was the same and, therefore, the difference in rates has persisted. It is statutory in that respect.

Mr. CARTER: It has no economic basis whatever; it is a sort of legal tradition.

Mr. MUTCH: The function for which some payments are made to dependents is to discharge the obligation very often of the deceased in his stead—the support of a widowed mother is not enforceable in the sense that the support of a wife is enforceable. That is the argument.

Mr. CARTER: I do not feel that we should approach the problem from that standpoint, because a dependent mother may be a widow also; and if her only source of support was a son who was a war victim or casualty, she would be in exactly the same position, in my mind, as the widow.

Mr. MUTCH: You will not expect me to comment on that. You are leading me out of my field into yours.

Mr. CARTER: That is all right. As we know now how your mind is working, I think we should say how our mind is working.

Mr. MUTCH: The mind of the commission is governed by statute.

Mr. McINTOSH: May I ask a question. When this was revised in 1951, what were the arguments at that time in increasing the amount for the widow and not the mother? There must have been no argument; otherwise, if we put it back to the same they might come up with the same argument and say the widow should receive more because of such and such.

Mr. MUTCH: If you are addressing that remark to me, the commission does not argue the pros and cons.

Mr. McINTOSH: No, I did not address my remarks to you. It says here, "previous to that date", and it refers to 1951, a widow receives \$75 a month and a dependent widowed mother receives \$75 a month.

Mr. MONTGOMERY: It says "up to \$75 a month".

Mr. McINTOSH: After the revision the widow received \$100 and the dependent widowed mother still gets \$75. There must be some reasoning why they gave the widow the additional \$25. There must be something on which to base their decision.

Mr. MUTCH: At the same time the widow was raised the additional pension for wife, and the pension for the pensioner himself was raised. I am not trying to say what was in the minds of the legislators, at that time but I assume it was to maintain the comparison and relationship to old age pension differences.

Mr. McINTOSH: Was there anything in the Legion's brief at that time stating the widow should receive \$25 more than the mother?

The CHAIRMAN: Perhaps the Legion representatives should answer your question.

Mr. THOMPSON: I have not the brief with me for that time but my recollection is when we asked for the increase that was brought in in 1951, we asked for it across the board, which would have included these people. Then when the increase was not given to the dependent parents at the next opportunity—and I think the record will bear me out—we protested this departure from what had existed for many years, that is the dependent parent and the widow being on the same basis. This was the first time in many years there had been a difference made, but I think you will find that our request at that time was for an across-the-board increase which would have raised the widow and dependent parent the same amount.

Mr. McINTOSH: Then at that time the Legion did not request that there should be discrimination between the two.

Mr. THOMPSON: Right.

Mr. MONTGOMERY: In considering the dependent mother's or father's pension—I cannot think of the word—it is dependent upon their own property and income.

Mr. STEWART: You mean means test?

Mr. MONTGOMERY: Yes.

Mr. MUTCH: There may be.

Mr. SPEAKMAN: There is, because I had a case last year.

Mr. MUTCH: Are you suggesting there is in every other case? I agree with you that there is an obligation on the commission to look into the circumstances in those cases where the widowed mother comes to pension under section 38(3), which deals with prospective dependency. If the widow prior to the death of her son was being maintained by him, wholly, or to a substantial extent she is in a preferred class. There is no means test on that. But section 38(3) deals with prospective dependency, and if after his death she (the mother) subsequently falls into a dependent condition and in the opinion of the commission had he lived, he would have contributed to her support, the Pension Commission pensions under section 38(3).

The CHAIRMAN: Are there any further questions under this subject? We will proceed to item 3, increase in pension to certain dependent parents—section 38(2) and (7). Have we any questions? Mr. Thompson, would you like to give an explanatory statement in regard to this.

Mr. THOMPSON: The main point of this item in our brief is that if the dependent parent at the present time is able to live in the home with the widow and children, the present rate may be adequate; but in cases where the widow remarries, I think you will appreciate this could create a situation where there would not be room in the home and the widowed mother might have to move out. But as long as there is one child of a veteran receiving pension, even though the widow is remarried, she is limited to this additional amount of \$40 a month. As soon as that last child comes off the pension roll, the commission is willing to look at her as a dependent parent under the other section and will pay her the maximum permissible. It seems to us that once a widow remarries this situation should be taken care of and the widowed mother should not have to exist on a smaller amount until the children are off the pension roll.

Mr. MONTGOMERY: Mr. Chairman, the act provides in cases where a pension is being paid on account of a widow or children the dependent parent is limited to \$40 a month. Is that a statutory provision?

Mr. MUTCH: Yes.

Mr. McINTOSH: Are there many cases of the widow remarrying and the dependent parent staying with them or having to move out?

Mr. THOMPSON: I am unable to give you particulars on that. We have had cases where the financial situation has come to our attention. Commission records will show a number of remarriages and if one followed this through you could find the number of dependent parents affected.

Mr. McINTOSH: Were all these requests passed at the Legion convention?

Mr. THOMPSON: Yes. These items in the brief would originate at our dominion convention and come forward in the way of resolutions, and be passed on.

Mr. MONTGOMERY: Does this only apply if the dependent mother lives with the pensioner or his widow?

Mr. MUTCH: It makes no difference. In respect to the question asked a moment or two ago, I am able to tell you that as of June 30, 1958 there

were 339 such awards in payment. As you can see, we are approaching the elimination of this problem. There were 339 as of June 30, 1958. These were awards to mothers bound by awards to minor children.

Mr. CARTER: Does the commission have any discretion in the matter?

Mr. MUTCH: None; it is statutory. Where there are other dependents, children or wife of the deceased living, the limit which can be paid to a widowed mother is \$40 a month.

Mr. CARTER: Would the award be affected where she has to leave and find her own accommodation?

Mr. MUTCH: No, that would not affect the award; at least, it is not mandatory that it should.

Mr. CARTER: The only way to correct it would be to change the Pension Act.

Mr. MUTCH: It would require an amendment to the act. When we discussed this some time ago my minister said that when the act is to be re-opened, consideration will be given to this request with a view to determining whether or not an amendment is indicated. He is committed to that and has asked the commission to be prepared to advise him.

The CHAIRMAN: Is there anything further on this item?

We will move to item 4, dependent parents' pension—effective date. Are there any questions on 4?

Mr. CARTER: The point was they cannot be made retroactive more than three months. Is that also written into the act?

Mr. MUTCH: Such awards are normally effective at the date of application. However, there are exceptions. For instance, there may be prolonged leave of absence from the country of the applicant, or more often the payment of unemployment insurance benefits or other payments involving dependency. In order to come in at all there must be dependency. You cannot establish dependency if there are say, 52 weeks of unemployment insurance to come. Normally, these awards are made within a three months' period. The commission has advised they see no need of legislative instruction. That is so reported.

Mr. THOMPSON: There is one point I would like to clear up, as there seems to be some misunderstanding. I take it, on Mr. Mutch's part, of what we are referring to. For his benefit as well as the benefit of the committee, I would like to make clear what we mean.

We felt it was fairly clear in the brief, but we received a reply from the minister and it was almost in the same words as Mr. Mutch has used now. The minister said that such awards are effective from the date of application, normally, but there are circumstances which do not permit of the benefit. There are exceptions such as prolonged absence from the country of the applicant or more often cases of unemployment insurance benefits or other payments involving dependency. It is further pointed out that an amendment to the act is not considered necessary. We agree that an amendment is not necessary, but we fail to see what the payment of unemployment benefits has to do with the effective date of a person found to be a dependent person.

The person with unemployment insurance benefits remains eligible unless the amount takes him out of a dependent position.

We have one case which I think illustrates this problem very well. On September 26, 1958, we wrote to the commission on behalf of a dependent parent, the mother of a serviceman killed in Italy in 1944. The district office, at the request of head office, sent forward an investigation report which was received by the commission on December 24. Our request was dated September 26. The report reached head office on December 24. One month later on

January 23 the commission granted dependent parents' pension; then we questioned the effective date and asked the commission to go back and they quoted a regulation. They said that at a general meeting of the commission on September 3, 1953, it was decided that initial awards under section 33, where initial application has been made more than three months prior to award, the effective date shall be three months prior to date of the commission's decision. This has nothing to do with the act.

We fully appreciate the problem of the staff of the Department of Veterans Affairs. An investigator may go to a certain address and the person may be downtown. We realize that the investigator cannot wait around there all day. He has a lot of other calls to make. There may be a delay of a month in some parts of the country before he returns. I think that welfare services would tell us that more than a month elapses between a call in one town and the next time the investigator is there. We feel the person should not lose out due to these delays which occur in the normal processing of a claim. We are not speaking of the person who is visiting her daughter down in the United States or who is drawing unemployment insurance. We are speaking of the person who waits for the administrative wheels to grind.

We feel the commission could amend its policy and grant this allowance without a change in the act.

Mr. WEICHEL: In the case of a widow, is she advised she is allowed a pension right after the death of her husband? Is she advised by the commission? If not, I am thinking of the widow who probably does not know she will receive a pension and who might go on for three or four months not knowing.

Mr. MUTCH: The present discussion has no bearing on what happens in the case of a widow. This deals solely with dependent parents. If a pensioner in classes 11 to 1 dies, it would be unusual for the first cheque not to go out within 24 hours of the date of notification. Then the documents are completed to establish that the marriage was indeed a good marriage and that she is otherwise qualified; and in that event there would be no break in her pension payment.

Mr. ROGERS: As I understand it, the pension commission could handle this without any amendment.

Mr. MUTCH: Yes.

Mr. ROGERS: It is just a policy which the pension commission has?

Mr. MUTCH: Yes.

Mr. ROGERS: Then why has the matter been brought up? Is it just because one or two cases have been set back one or two months?

Mr. MUTCH: I do not know, but I assume so. We have not had many cases.

Mr. ROGERS: Do you think you can correct it?

Mr. MUTCH: I doubt very much if there are any delays of longer than three months. I should not say "any", because anything can happen in an operation as large as ours. Normally, these claims are all settled before three months elapse. In the event there is any hardship or distress which arises out of something over which the applicant had no control, machinery does exist in our legislation to take care of it.

Frankly, we are not aware there is a degree of need, and we have so said—which would demand legislative correction in the form of an amendment. We are not opposed to it. It is not our function either to be for or opposed to it. We feel we can administer with what we have.

Mr. ROGERS: What do you think of that, Mr. Thompson?

Mr. MONTGOMERY: Mr. Chairman, may I just follow up on that. When Mr. Thompson was reading he referred to a letter or memorandum from the pension commission which indicated that they were bound by regulation. I

gathered from the answer to me the other day there were no regulations outside of the regulations dealing with the awards, and that they had been filed.

Mr. Mutch: There are no regulations which have the force of a statute, other than the table of disability which is provided. But the commission does, as does every administrative body which has a territory as wide as ours—from England to Victoria, British Columbia—have regulations for our own guidance. They incorporate an interpretation in those sections where we are charged with the responsibility of interpretation. Those regulations are for our own consistency as much as anything else, so that we will not do one thing in one case and another thing in another case. They do not have the force of statute, are not approved by anybody and can be amended by us.

Mr. BEECH: Mr. Chairman, it seems to me there is a regulation saying that nothing should be paid back further than three months.

Mr. Mutch: There is a regulation in the act which says in the matter of entitlement awards that the commission has limited power to extend retroactive awards under section 31 in cases where, in the opinion of the commission, they feel it resulted in hardship or distress, or in the other case where there was failure to initiate payments earlier which arose out of conditions over which the applicant himself or herself, could have no control. Those are entitlement decisions and it is possible under the statute to go back in an extreme case to retroactive awards of three years.

Mr. BEECH: Mr. Thompson, have you made any application under this heading?

Mr. THOMPSON: I am not sure I understand Mr. Beech correctly. Do you mean we are having any difficulty with this particular problem at the moment with the commission?

Mr. BEECH: What I am trying to say is that Mr. Mutch said there is a provision for taking care of the cases which you mentioned. I am wondering if you tried to get adjustment under that?

Mr. THOMPSON: We have been trying on this point. Somebody raised the point that there are not many persons involved. Our feeling is, and I think you gentlemen would agree, that the number does not have to be large, if there is an injustice which can be rectified.

The case I mentioned is a current one. I was reading from a letter from the commission which quoted their policy, or their method whichever you choose to call it. It has the effect of a regulation. In this case the minute was quoted to us as the reason why this old lady's pension could not go back beyond the three months. As a result of this she loses some extra money which we feel she should have. It seems to us the regulations or policy should be elastic enough that these persons should not lose out.

Mr. McIntosh: I am not quite sure I understood Mr. Mutch's explanation. If their decision to award a pension is based on the date of application in one case, whether by act or by regulation, would not the other decision to award a pension retroactive only three months be ultra vires regardless of what the authority is for making such a ruling? You are discriminating against an applicant because of certain circumstances. I think you have to treat them all the same.

Mr. Mutch: Unfortunately we cannot treat them all the same.

Mr. McIntosh: But my point is this, that in the event that after your investigation the person is finally awarded the benefit, then because of the delays—and there are numerous ones in some cases, and I agree with the Legion on this—because of the delays and the fact that they will be awarded the pension it should be retroactive, the same as any other application. Be-

cause of the delay, and the fact that they are going to be awarded a pension, it should be made retroactive the same as any other, to the date of the application.

Mr. Mutch: The cause of the lapse of time of more than three months between the first application and the decision, is the fact usually that other income during that period precluded payment. There is a means test on these awards which precludes the payment. Consequently, when the award is made,—this is the average case of which I was speaking of a moment ago, I am prepared to concede that there may be cases where there was delay in excess of the three months—not many I would think, but there may be some. If there are, I would say that they should have an opportunity to come back and argue that the delay was not of his or her making, or that hardship arose as a result of that delay. The machinery is there. I am not arguing that our decisions are always perfect.

Mr. McIntosh: You say the legislative proof is wrong. When they make a statement of payment retroactive to more than three months regardless of the length of delay, we could only conclude that there are other finances involved.

Mr. Mutch: Generally speaking that would be the reason. I do not see them all and I shall not commit myself to any other reason. Sometimes it is difficult to establish the beneficiary.

Mr. McIntosh: Could the Legion tell us if, in the case you refer to, there were other finances involved, and if that was the reason for the delay?

Mr. Thompson: To the best of our knowledge there were no other finances, because the dependent parent received the maximum of \$90, there were no other financial considerations in the case. It was a straight case of procedural delay. The head office wrote to the district office and asked them to investigate. They investigated, and this all took time. They sent their report back and it lay in the head office for a month before the commission's decision was rendered. The commission feels that it is not a delay because it is not out of the usual, since these things can happen. But to our knowledge there was no other financial problem here at all. It was just a case of procedural delays.

Mr. Weichel: Regarding the date of application as recommended by the Legion, would that not overcome the difficulties we are talking about?

The Chairman: If I may comment, this seems to be an administrative more than a fundamental problem.

Mr. Carter: Coming back to what Mr. Mutch said with respect to this particular case that has been referred to by Mr. Thompson, if I understood correctly what Mr. Mutch said could not this individual take her case back to the commission and get whatever back pay should be coming to her? Is that right?

Mr. Mutch: It is a discretionary award, and the commission must hear an application. Some of them have come back repeatedly. But there are not enough of them for me to be an expert in the technique. I have not seen too many of them, but it has occurred. I do not remember the one Mr. Thompson referred to, and I cannot discuss a specific case without having it before me.

Mr. Stewart: Would not a discretionary power exercised in a proper way be more effective than a fixed date?

Mr. Mutch: A discretionary power in order to be truly so has to involve a discretion to say either yes or no. If the proper discretion is that you have to say no, it may be said that we have refused to bow to progress. But for their guidance over the years my colleagues, long before my time, fixed this yardstick. I am sure that it allowed them to take care of the great majority of such applications, and that the door was left open to consider special cases.

If I understand Mr. Thompson correctly and I do not want to put words into his mouth; if I do so he will be quick to tell me—his suggestion I think according to this resolution is that he would like to see that discretion removed and the date of the application fixed, or else direction given to us to use our discretion in a certain way, which would remove that discretion.

We, as a commission, have no feelings in the matter at all. It is just an administrative detail and it has not given us any major problem. We would like to think that it has been fairly exercised, but if it has not, the door is open.

Mr. MONTGOMERY: I think this is a very important discussion. I was led to believe—and I do not want the acting chairman or the chairman of the pension commission to feel that we were criticizing them—but I think this has cleared up the matter; because when I heard that letter read, and then commenced to think that I had not received a correct answer the other day, I felt there was a regulation some place which cut this off at three months. I think the Legion has felt there was something in which the commission would have a discretion. But as I understand it now, the commission does have a discretion. They have, for their own benefit, set up a three months yardstick.

Mr. MUTCH: Yes, for their own guidance.

Mr. MONTGOMERY: For your own guidance; but it is not a regulation. It is just an administrative matter, and it may be now since we all understand it, they can change it if they see fit; they can use another yardstick. If they do have a discretion—and I think they should have one—I do not think we should undertake to try to take that discretion away from the commission. I think this has raised an important question, and it has cleared up something. I would like to see the commission try to go back to the date of application so that the individual would not think that he was being treated unfairly by the commission in respect to anything that he gets; and I would like to see the individual have the opportunity to go back and establish his case over again. The applicant may feel that these delays occurred at Ottawa, Saint John and so on, and he says: they like to give us the "runaround" if they can. I think there would be a better feeling if, in the first place, it were at all possible to have it dated back.

Thank you for permitting me to take up so much time.

The CHAIRMAN: Does that conclude our discussion of item 4, if so, item 5, "Special problems involving Newfoundland veterans". Are there any questions?

Mr. CARTER: I want to thank the Legion for the clear cut way in which they have set forth the problem with respect to Newfoundland veterans. Briefly it boils down to the Newfoundland veteran being one kind of animal under the Veterans Rehabilitation Act and the War Veterans Allowance Act, and a different kind of animal when it comes to the Pension Act. I want to commend the Legion for the recommendation which they have made to have the Pension Act definition of Newfoundland veteran as contained in the Pension Act brought into line with the definition under the other legislation. However, Mr. Chairman, personally I do not think that a legislative change should be necessary here, because I think the commission has enough discretion under the terms of its present definition to overcome the difficulties with which we have been faced. I think it is a matter of interpretation on the part of the commission; but if we can get around it by a change in the act so there will be no opportunity for alternative interpretations, then I think it would be all to the good.

The CHAIRMAN: Have we any further questions?

Mr. BADANAI: Agreed.

Mr. LENNARD: Agreed.

The CHAIRMAN: Mr. Carter has stated the position very adequately and we can now move along to section 6, "Supplementation of Canadian rates".

Mr. MUTCH: I think, Mr. Chairman, I might be permitted to say a few words with respect to this. Administratively this legislation is linked with section 5, of the Legion's brief, the preceding one. My minister has publicly expressed his personal sympathy for the point of view which is put forward here.

As he told you, he has been taking the initiative with the third party involved, which is the British government. He has said repeatedly that these two sections are linked together; because if they were not we would then have a group of Canadians whose service was wholly with the British in World War I who would be in a less advantageous position than the Newfoundlanders. So, for that reason, I think that any government would have to link these two resolutions together.

Mr. CARTER: I am not quite clear just how the group of veterans would be worse off if they were brought under the Canadian Pension Act in relation to these others?

Mr. MUTCH: Not worse off than they are now; I did not say that. Those Canadians whose service was wholly with the British in World War I, have had to approach the Canadian government for supplementation through their British entitlement, just as the Newfoundlanders have to do in the first instance.

The proposition is that if this situation can be removed in one case, then it should be removed in both cases. The minister said this would be considered jointly.

Mr. CARTER: I would agree to that. But am I not right in understanding there is now some special arrangement with the British government with respect to Canadians who served in the British forces?

Mr. MUTCH: I am not touching on this question of their entitlements. In the first instance, the only person who got a break was the Newfoundlander. He goes to the British government and if he fails to get entitlement, he may then have a second chance by coming to our commission. But those Canadians who have been turned down at the present time by the British government "have had it". There is no second chance for them. So it would mean an equalizing of that situation. Nothing will be taken from your friends, who already have more than these other chaps. But the undertaking by the government has been to try to treat them all the same.

Mr. CARTER: I am in favour of giving the other fellow a second chance too.

Mr. MUTCH: Good. I am sure, that the government will, when they come to deal with it.

The CHAIRMAN: May I say that we have a distinguished visitor in our midst this afternoon, a representative of the British pension commission, Mr. Harvey. I think you might make your bow now, Mr. Harvey.

I have been called away for a few minutes, so perhaps Mr. Montgomery will take over. I would appreciate it very much.

(At this point Mr. Montgomery took the chair as vice-chairman).

The VICE-CHAIRMAN (*Mr. Montgomery*): We are still on section 6. Are there any further questions or comments?

Mr. THOMPSON: Mr. Chairman, I should just like to say that we are very pleased with the reply we received from the Minister of Veterans Affairs in connection with these two items 5 and 6. We are very pleased with the explanation that the problem was being studied and that when the replies were received from the British ministry they would be considered by the cabinet. We certainly do appreciate that action, and we hope that the outcome will be favourable.

The VICE-CHAIRMAN: Does that section carry?

Agreed to.

The VICE-CHAIRMAN: We go on to section 7, retroactive awards (Section 31). Are there any questions or any comments?

Mr. THOMPSON: Mr. Chairman, just by way of elaboration on this point, I would say this. There does seem to be something of a misunderstanding in some quarters in regard to the present provisions for retroactive awards of pension. As we have pointed out in our brief through the years, we have come across many cases where people have lost a considerable amount, not only in money but in years of pension entitlement. Some of them go back as long as 10 or 11 years. Some of the amounts of money go to \$2,000 or \$3,000, and it is quite likely that in some cases the amount is greater.

We feel that there should be provision in the act, and section 31 should be amended so that the application, when eventually granted, should be made effective from date of application. In many instances the person gets an adverse ruling. They accept it. Sometimes new evidence crops up, and sometimes there was definitely an error in the original C.P.C. decision. Then years later this may be admitted by the commission and they will grant the claim; but there is no provision and, in fairness to the commission, no matter how much they might wish to go back, they are limited, by section 31 of the act, normally to 12 months retroactivation, with an additional six months in cases where hardship can be proven, plus an additional 18 months where, through delays in securing service or other records, or through other administrative difficulties, beyond the applicant's control, it is apparent that an injustice might otherwise ensue.

This additional 18 months is extremely hard to get because the commission refuses to admit that errors by the commission's medical or administrative staff are beyond the applicant's control. This is a matter of interpretation; but if the act were amended so as to make provision for the date to go back to the date of application, we would not have situations where cases are ruled on adversely and years later they are finally granted entitlement with very little retroactive pension.

We have one case where the commission in 1944 were asked to rule—and, incidentally, the case never got before the commission; they did not rule on it. Ten years later the case came up again and the commission granted entitlement. In this case the commission went back the full three years which is permitted by the act; but there was no provision for them to go back beyond that.

There are several instances where errors have been committed, and the act as it stands does not provide for full retroactivation. We feel that many of these cases are cases of injustice, and the only fair way is to amend the act to take it back to the date of application.

Mr. MURCH: It is not my purpose Mr. Chairman and gentlemen, to take issue with anything which Mr. Thompson has so forthrightly said, except this—and I might still say it—that the commission does not concede that a decision taken at a certain date by the commissioners, then governed by their own thinking and the regulations and the legislation of the day, and subsequently reversed perhaps years after by different commissioners, or even the same ones, in the circumstances of the interpretation then prevailing, does constitute an error.

There are errors of omission, and there are errors of commission; but a difference of opinion—very often based on difference of interpretation over the years—does not, in the opinion of the commission, constitute error in the sense envisioned by the legislation, and is not so accepted.

Mr. LENNARD: But, Mr. Chairman, there could be an error on the part of the examining board at the local point.

Mr. MUTCH: That point has never been at issue, Mr. Lennard. The commission is restricted by statute. Even if we rise in our place and say we erred five years ago, and should have done thus or so in entitlement awards while the statute as it is we can only correct it back three years.

Mr. LENNARD: Yes; but supposing a man was examined, and it was found later by other examiners that that was not a true examination at that time, that is an error, not of the commission, but an error of some of their employees.

Mr. MUTCH: I would not be competent to judge that, Mr. Lennard. I think we are entitled to assume for instance that medicine has changed radically since the first war. There are a great many conditions which were ruled not attributable to World War I, and in the interval since then medical opinion has been able to demonstrate to everybody's satisfaction that they were related. And in the face of that evidence, the commission makes changes.

But the commission would not concede that a decision taken in good faith in the light of the evidence then available, is an error in the sense envisaged by the legislation.

Mr. LENNARD: I am not saying they would. But probably there has been an error on the part of some medical examiner several years before. That has happened; it is happening every day.

Mr. MUTCH: Whether it is made in error, or whether the error was in good faith, I do not think affects the fact that there is a statutory prohibition at the present moment.

Mr. LENNARD: I know the commission has to deal with what is placed before it by somebody else, but somebody in the employ of the commission can make a mistake.

Mr. MUTCH: Yes and in some instances the commission itself makes them.

But in this particular case, as Mr. Thompson has said, there is a statutory provision. That was put in at the instigation of the veterans organizations generally, in times, that you and I can remember, and some others may not. That was put in at a time when it was alleged in the House of Commons that a great many awards were not being made because of the amount of retroactive award of money involved. I may have been one of those who alleged this; but I do not believe it now. I do not know whether I did then or not.

The suggestion came forward from the veteran organizations generally, as well as from others, that if we put a statutory limitation on the retroactive award it would remove forever the suggestion that John Doe would have got his pension except for the fact that it was going to cost the government \$10,000 to pay his back pension.

I am not prepared to concede that former commissioners were concerned with the money involved. But the suggestion was made and the criticism was there. Section 31(1), (2) and (3) was put in by the government of the day to remove that suggestion and to make it, as they thought, easier for a man to obtain entitlement. Whether the need for it has gone, it is not my place to say, nor am I competent to speak for others.

Mr. BEECH: Mr. Chairman, Mr. Mutch has answered my question. I was going to ask if the commission was swayed by the fact that a large pension was likely to be paid if it was paid retroactive to the date of application. But he assures us that would not have any effect on the pension commission, and I am very glad to hear it.

Mr. MUTCH: I do not think my colleagues in the commission look into the monetary aspect of it at all. That is your responsibility, gentlemen. I am

not going to concede now that I think they ever did. I have given you the history of why Section 31 was put in the act, and it is written for all who want to read it.

The VICE-CHAIRMAN: Has anyone else a question or any comments?

Mr. THOMPSON: I wonder if I might be permitted to clarify again this question on error. These problems have been outstanding for many years, and we have discussed them with the commission and with the various ministers. It seems to me that sometimes we end up with the situation being not too clear.

We are speaking about errors, and I would like to give you a few very brief illustrations of what we mean by "error". Whether it is an error of the commission, of course, is open to their interpretation.

In one case a man was sent home from overseas. He was evacuated from the front line near Cleve. He was brought home and was admitted to Westminster hospital as a mental case. He was there for approximately two months, still on army strength. He was discharged from the army still in hospital. He was finally discharged from the hospital and sent on his way. The pension medical examiner sent the case up to the commission for a ruling, and in that ruling the commission stated in part "Examination and psychiatric reports reveal that this is a pre-enlistment constitutional condition. There is no evidence that the condition was any worse at the time of discharge than prior to enlistment".

This is what we call an error. The man was in a mental hospital at the time of discharge. "The commission therefore rules: 'Manic depressive psychosis (nervous condition), pre-enlistment condition not aggravated during service'".

That, as I say, is an error. The commission, ten years later in 1956, when we made representations to them, granted entitlement, said: "Following his return to Canada he was retained in Westminster hospital for over six months. At that time he was definitely psychotic and mentally disturbed".

They granted him entitlement but they did not go back the full three years which the act permitted; they went back 12 months. We had to make renewed representations on two occasions to get the six months one time and the 18 months one other time. Mr. Mutch says that the door is always open, but it seems to us that if the act permits something to be given, it should be given at once and you should not have to go back and pound on that door time after time to get what they finally give. In this case we suggest it is an error.

In another case a veteran was seen by the pension medical examiner in 1944 and he referred the case to the commission for a ruling. The case was not ruled on. Because of the representations that we made, the commission granted entitlement, but that was more than ten years after the original request for ruling had been made.

Mr. MUTCH: That was an error, and was so conceded.

Mr. THOMPSON: That was an error. I suggest that the first case of the man in the mental hospital was also an error. We have rulings where the commission say "Pre-enlistment; not aggravated". The man served overseas in the theatre of war, and as such should have the benefit of section 13(1) (c); and we have commission decisions given sometimes after the second and third ruling, such as one which we have here, where the commission will finally rule, "Not recorded nor obvious on enlistment". In one case they said:

Further investigation in this case reveals that although there is no doubt of this man complaining of back trouble prior to enlistment there is no official record of such trouble, and no pathology of the back was obvious on enlistment. As he served in a theatre of actual war the commission now finds that his pension should be entire under the provisions of section 13(1) (c).

That was in 1956. Yet in 1946 they had ruled it a pre-enlistment condition and recorded. When we asked them to produce the record, they said none existed and they granted full entitlement. When they said they had a record and now one is not produced, that is an error. Some provision should be made for correcting the situation when it occurs.

Mr. MUTCH: You mean by an amendment to the statute?

Mr. THOMPSON: Yes. The point I wanted to make is that it would appear from Mr. Mutch's statement that it was a fine point as to who was in error. I want to make clear that what we mean by an error is when somebody is wrong. We admit to an error when we have made a mistake. That is what error means to us. We have many cases—I do not want to take up your time, but I know it has been said by some officials that the Legion handles only a small number of cases. Well, it is true we only handle those cases which come to us; but if you find this in a small number, what is the over-all picture? We admit we cannot give a percentage figure; we are unable to say how many cases there are like that. But we do know there are cases and that is why, at the invitation of the committee, we brought this to you in order to give you our side as to why we feel our requests are justified and we have the cases to back them up.

Mr. MUTCH: For the record, Mr. Chairman, may I add a word. The year 1947 was the breaking point. Prior to 1947 it was considered by the then commission that the admission by the man himself on enlistment of a condition pre-existing enlistment created a record. His own admission created a record. Since 1948—and I think I am right in regard to that date; I will check it in the transcript—the commission has required either one of two things to create a clear record; either the recording on enlistment itself or a written record in the hands of a doctor who examined him previously. We will not accept any longer that his mother said he had whooping cough when he was fifteen and that a family doctor treated him, or something like that. That doctor is called and asked if he kept a record, and if he says yes he is asked to produce it. If he says he kept records but they were destroyed e.g. by fire, he is asked to swear that he recorded the diagnosis and to give the particulars. Those are the only two kinds of pre-enlistment records that are accepted. We found in reviewing some of the cases that it was ruled prior to 1948 as pre-enlistment on the applicants own admission, which would not now be accepted. Normally while it would be an error on the part of my colleagues to accept that unsupported statement of the man himself today; at the time it was accepted in this particular case with which I am familiar, in 1946, the man's own admission then was subsequent to his enlistment or while in the service and would constitute a record. It does not now. The only point that is at issue between Mr. Thompson's organization and the commission is that the commission does not admit error when the decision was taken in the light of the evidence and the policy which then existed. Error implies carelessness, bad faith or something more than a difference of opinion over the years.

I have tried to state that simply and sympathetically. That is our object and aim. Mr. Thompson said a few moments ago that the second case he gave was clearly an error, that it was brought up and never acted upon. I might say that as soon as it was brought to my attention—and I think it was in this room—the commission reviewed the case and went back three years, as far as the law allowed.

Mr. LENNARD: I think in that case you should have obtained an order in council and gone back the whole distance.

Mr. MUTCH: That is your prerogative and not ours.

Mr. ROGERS: The question is to make this retroactive to 1946, is it not?

Mr. THOMPSON: Yes, that was to prevent the point Mr. Mutch has raised; and that date, 1946, has no significance except it was the year after the war ended, and January 1 was taken as a reasonable date. We can see that there would be a danger if one started to go back all these years, and I would point out we have been working for this for some time. The years have gone by, and if you look at it in retrospect the cost today would be greater than previously. But the principle is the same. If I might be permitted one final observation, Mr. Mutch says that since 1948 these situations have not occurred in a decision—and this is from the commission itself—dated 6-9-57, the commission in referring to a decision of June, 1952, which is four years after 1948, said:

After careful consideration of the case it seems clear that the decision of June, 1952 was based on improper information as there was not then a record that decision should have provided full entitlement with the added application of section 31.

Our point is that this has occurred prior to 1948 and since.

Mr. MUTCH: Since 1954 there has been a three-year limit. I hope I have not appeared to argue the case. I have no opinion on it beyond stating the limitations which are imposed on the commission. Those are our powers. The cases which Mr. Thompson cites are familiar to us and they are dealt with in accordance with the legislation as it stands. Whether or not the legislation should be changed is not for me to say.

The VICE-CHAIRMAN: As there are no further comments, we will proceed to section 8, which is "debts due to the crown" which may be deducted from a pension. Are there any questions?

Mr. STEWART: That applies only to crown debts?

The VICE-CHAIRMAN: Yes, I think so.

Mr. FANE: If a veteran was overpaid, or something of that nature.

The VICE-CHAIRMAN: It is not necessarily so, is it?

Mr. THOMPSON: There are a number of reasons why they deduct from the pension. Actually, the overpayment of pension is provided for in the act and is quite properly done under the Pension Act. But there are other reasons for which a veteran or pensioner may owe money to the crown; and as it stands now these amounts can be deducted from his disability pension.

Mr. WEICHEL: Would you please give us an illustration.

Mr. STEWART: Income tax would be one.

Mr. THOMPSON: Of course, income tax, which the member mentioned here, would be one. You could have a situation where a man received treatment from the department and was liable to pay for that treatment. This is not for his pensionable condition. He is liable to pay for it. As a result, if he owes and does not pay, the department can collect from his pension. In fact, he is liable in any way in which he incurs a debt to the crown.

Mr. STEWART: Excise taxes.

Mr. WEICHEL: There could not be an error in his entitlement?

Mr. STEWART: No.

Mr. MUTCH: This resolution has no reference at all to the administration of the Pension Act; there are overpayments which occur under our act and we have full power to deal with them. Perhaps I can assist by saying that the Canadian Pension Commission has held that it has no power under the Pension Act to withhold pension moneys to discharge a debt other than moneys to adjust overpayments made under veterans legislation. Governments have used first the "Debts Due to the Crown Act" and subsequently section 95(1) of the "Financial Administration Act" to override the Pension Act and to

empower treasury officials to withhold pension moneys to discharge debts due to the crown. These deductions are made without reference to the Canadian Pension Commission, and since the procedure is now generally understood, the commission has not been involved in recent years.

Mr. LENNARD: The only difference is, if the government owes you money you have a tough job finding out about it; they will never tell you.

The VICE-CHAIRMAN: Are there any further questions? We will now pass on to section 9 at page 208, "conditions not recorded on enlistment". I believe that was partly covered in our discussion under section 7. However, are there any questions on section 9?

Mr. McINTOSH: The other day I asked how many applications had been refused in relation to the number of applications granted and I understood it was about two to one. Now, in this case, if this is carried and put through, I wonder how many of those one hundred and some thousands that have been turned down would be eligible.

Mr. MUTCH: If you are asking me that question, I may say that it is the considered opinion of the commission that it would not change or add to the entitlement in a single case. This is not a new restriction. We are of the opinion that what is requested would not increase our powers under 13 (1) (c).

Mr. MACDONALD (*Kings*): Are you satisfied that the veteran is getting the benefit of the doubt in these cases?

Mr. MUTCH: The benefit of the doubt is not involved in this.

The VICE-CHAIRMAN: What is involved here is exactly what Mr. Mutch explained under section 7.

Mr. MUTCH: Yes.

The VICE-CHAIRMAN: If the discussion is completed on this item we will go to section 10, marital status under the Canadian Pension Act.

Mr. ROGERS: Do they accept a common-law wife?

Mr. MUTCH: Under the Pension Act?

Mr. ROGERS: Yes?

Mr. MUTCH: No. They do under the War Veterans Allowance Act. Also there are special circumstances under the Pension Act. My categorical answer "no" is perhaps too short.

You will remember there were certain Canadians who served overseas in England in World War II who entered into marriages over there. There were cases where the spouse of that marriage never came back to Canada. The British government passed a statute allowing them to divorce their husbands although the husbands were not domiciled in England. It was a special act. They were granted the divorce in England. The Canadian government does not recognize that divorce. If that veteran came home to Canada and subsequently went through a form of marriage with someone here, built up a new home and a family, then on his death the commission can and has made awards under section 25 which is a discretionary section. That discretion has to be limited to those particular and peculiar groups of veterans who had that unfortunate experience in England of having their marriage annulled by the English government, or a divorce granted, which could not be recognized here.

Mr. LENNARD: Why is it not recognized?

Mr. MUTCH: I know why, but I have never voiced it and I will not now. Sure, I know why.

Mr. LENNARD: It seems ridiculous.

Mr. CLANCY: A common-law wife of a veteran is legally entitled to certain things in Canadian law.

Mr. MUTCH: Not from us.

Mr. LENNARD: In other words, she is discriminated against under this one section?

Mr. MUTCH: He is pensioned as a single man if he is in a common-law union. There is no provision in our act.

Mr. ROGERS: I rather think there should be provision. I know of two or three cases now where a pensioner has lived with his common-law wife for the last thirty years.

Mr. MUTCH: As you know, section 25 is extremely wide. I can think of a case in recent years where a common-law widow—if I may use that expression—was able to establish to the satisfaction of the pension commission that she married in good faith and that she was not a party to the deception which took place at the time of the marriage. She lived with her husband for some thirty years and raised three or four children by him. When he died the commission did exercise its discretion under section 25 to pay her, not a widow's pension, but an award under section 25 which was the equivalent of the pension, because they were satisfied she had acted in good faith and that he was now dead.

Mr. LENNARD: Had he another wife living?

Mr. MUTCH: At the time of his original marriage I presume so.

Mr. LENNARD: But not at the time of his death?

Mr. MUTCH: No. I was not in on the case, but I know of the decision. I am quite sure the commission would never have made an award until they were perfectly sure the original wife had died and would not come back at the time of the husband's death.

Mr. MCINTOSH: If a man had a common-law wife at the time of his enlistment they paid her allowances during hostilities; why would they not pay her a pension after death?

Mr. MUTCH: There is no such provision.

Mr. MCINTOSH: But they do pay allowances during service.

Mr. MUTCH: I think so, if they had been living as man and wife for one year prior to enlistment.

Mr. MCINTOSH: I do not think they made any stipulation at that time.

Mr. MUTCH: At any rate, it had to be prior to enlistment.

Mr. LENNARD: I assume the commission looks after children of such a union.

Mr. MUTCH: If they were acknowledged and maintained by the father during his lifetime the commission may; yes.

Mr. STEWART: Even if illegitimate under the law?

Mr. MUTCH: Let us not get into the law of legitimacy. The commission can and does.

The VICE-CHAIRMAN: Are there any further questions. If not, we will go to item 11, increase in last illness and burial grant. Is there anything on this item?

Mr. MUTCH: I can tell you that when the act is revised the commission will recommend to the minister that our permissive allowances be brought into line with those under the War Veterans Allowances Act and workmen's compensation. At the moment they are statutory.

Mr. ROGERS: What is allowed? I mean the whole cost?

Mr. MUTCH: It is not the whole cost; it is \$250.

Mr. STEWART: That is the maximum?

Mr. MUTCH: The maximum.

The VICE-CHAIRMAN: Are there any further questions? We will go to section 12, children entitled to be maintained.

Mr. MUTCH: That is the item to which my chairman referred at the opening of the meeting.

The VICE-CHAIRMAN: Is there anything further?

Mr. THOMPSON: The Legion would like to express its appreciation of the action taken to clear up this point in the brief.

The VICE-CHAIRMAN: Section 13, benefit of the doubt (section 70).

Mr. CARTER: I think this point raised by the Legion is very well taken. I do not think the veteran gets the benefit of the doubt as much as he should by the pensions commission. I also think the pensions advocates, when they appear before appeal boards, do not exploit this benefit of doubt as much as they might in favour of the veteran.

I have several cases now. One is that of a young veteran who was taken into the Canadian navy with one foot shorter than the other. He was discharged in poor condition. He did not apply for any pension. He tried to earn his own living, but eventually he wore away the bone because of one leg being shorter than the other. He reached the point where he was no longer able to work. When he applied for the pension, the board said it all happened since you have been discharged. I cannot see how any medical man can say that a person could spend four years in the navy with one foot shorter than the other without aggravating his condition; but it is assumed he aggravates his condition the minute he gets out of the navy. That is a case where there is an element of doubt in which the veteran does not get the benefit.

The other case is of a person who runs to the doctor every time he has a pain or ache and builds up documentary evidence. The minute he applies for a pension he has all this supporting evidence. Then there is the person who does not think his aches or pains are worth bothering about and when he has some serious disability he is penalized because he did not do enough complaining while in the service. I really think there is room there for more flexibility in this part of the legislation.

The VICE-CHAIRMAN: Has anyone else anything to say? I think this is a matter within the discretion of the commission.

Mr. STEWART: I have one observation to make, and that is I think the act should be given a beneficial interpretation rather than to base it on the benefit of the doubt. The benefit of the doubt is used when you are accused of something, such as not making a claim. If all the regulations were beneficially interpreted, I think it would eliminate some of this misunderstanding regarding the benefit of the doubt.

Mr. THOMPSON: If I may be permitted to make an observation, last Thursday when Mr. Mutch was speaking to your committee on this question of the benefit of the doubt, there was quite a bit of discussion back and forth. If you check the record you will find that the actual wording of the section was not referred to.

I would like to draw to your attention section 70 of the Canadian Pension Act, which reads as follows:

70. Notwithstanding anything in this Act, on any application for pension the applicant is entitled to the benefit of the doubt, which means that it is not necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences and presumptions in favour of the applicant. 1948, c. 23, s. 16.

That is where, we submit, this section falls down in its operation at the present time. It seems to be based on one's making the proof conclusive. But the act says you do not have to prove conclusively with respect to a case in favour of the applicant.

For example, a man's enlistment film was lost, or was not available. It had been marked as negative approved. But a year or so later, a further examination showed a shadow on his lung. This chap remained negative until 1953 when active t.b. was diagnosed.

The applicant's enlistment film could not be produced in order to eliminate the presumption that this t.b. was present on enlistment, and the commission ruled against the man. They did this repeatedly. They insisted that the words "negative approved" meant no active disease. But there was something suspicious there.

We insisted that "negative approved" could only mean what the words said. At our request the commission finally wrote to the doctor who I believe had been the chief radiologist for the Canadian Army in the early years of the war. They asked him what it meant. He replied that for all intents and purposes the term "negative approved" and the word "negative" were synonymous.

The commission was then faced with this letter from the doctor, but they still turned down the case. So we went back to them again pointing out the ridiculousness of the decision in the light of the statement and they then granted the man entitlement.

In another case we had, the man had a heart condition, and he died in peacetime service in the air force of that heart condition. The commission ruled against this case, and the widow brought it to us. We referred it to three eminent heart specialists, one in Montreal, one in Kingston and one in Ottawa. Each of the three specialists in his opinion supported our contention that there was a relationship in the symptoms during service, and the death, and that the person's service was a material factor in the cause of death.

These three opinions were submitted to the commission and without benefit of any equally eminent specialists acting on behalf of the commission, the commission turned down the claim.

Then we wrote to the chairman of the commission asking him to have the claim reviewed, having regard to the weight of evidence and to section 70. He replied that it was a satisfactory decision and that they could not make any change. So we submitted it again with the qualifications of the doctors being stressed especially, and the commission granted the claim.

In this case I think the widow and three children lost about sixteen months pension. That is what we base all our observations on. The benefit of the doubt is not applied in all these cases.

Mr. CARTER: I agree 100 per cent.

Mr. Mutch: With respect to that case, if I may say it, the case did not come in as Mr. Thompson cites it, as a result of doubt being created in the mind of the commissioners; but on the contrary, it was put in as a result of the weight of medical evidence; and in writing that decision, I would be very much surprised if section 70 was mentioned. It was granted as of the date of the entitlement on the basis of the weight of medical evidence which Mr. Thompson was able to marshal.

This is not a unique case. He goes out, and in many cases he and his associates bring in evidence which rules out these requirements of doubt and establishes entitlement on a medical basis. Certainly I would be surprised if any of my colleagues would give a reverse favourable decision in a case, such as he cites by invoking the benefit of the doubt. This was a case resting on its own merits, based on the medical evidence which the commission accepted. That is the difference.

These cases do not present us with any particular problem. If you get evidence in time which is clear cut, then the need to refer to section 70 disappears, and entitlement is granted on the facts.

Mr. THOMPSON: With all due respect, I sometimes wonder if Mr. Mutch and I are talking about the same subject. Without a doubt the medical evidence was before the commission, and the three opinions were there when the commission dealt with it.

Mr. MUTCH: And they ultimately reviewed them and accepted that evidence.

Mr. THOMPSON: Ultimately.

Mr. MUTCH: Yes.

Mr. ROGERS: Apparently the onus is on the applicant to put forward his defence, his right to assert his claim.

Mr. STEWART: It is some onus.

Mr. ROGERS: It is just as good as the legal counsel or the counsel he gets, and the evidence he is able to bring forth himself.

Mr. MUTCH: In fairness, to answer your question, there is some responsibility which devolves on the commission, and which is exercised, to see that all the evidence is adduced at the hearing. We have some responsibility and we exercise it in assessing the application to see to it that the records which are existent in his records are before us at the time of the decision.

Of course we do rely very largely on the veterans bureau or on the bureau over which Mr. Thompson presides. There is no question about that. But I do not want you to think that a man is wholly on his own. There is a responsibility which devolves upon us to see to it that, from the sources of information which are available to us, he gets whatever he is entitled to.

Mr. ROGERS: I wanted to bring that point out. Thank you very much.

Mr. MUTCH: You cannot blame it all on a poor advocate, if he gets a bad deal.

The VICE-CHAIRMAN: Have we had a full discussion on paragraph 13? Paragraph approved.

(The chairman of the committee (Mr. Dinsdale) resumed the chair.)

The CHAIRMAN: Let us move to paragraph 14, "Renewal hearing (new conditions)". Have we any questions or further comments?

Mr. MONTGOMERY: There has to be new evidence. You have to have new evidence in order to get a case opened. Am I right on that?

Mr. MUTCH: I suppose you are, technically, but in practice no. It is not the practice of the commission, in ruling on these rehearings in the case of World War II, to deny a requested rehearing of an application. I do not know of any case where they would. I am not saying that somebody might not find one, if I said we did not, but I am not aware that it has been our policy.

Mr. STEWART: Is it a straight new application, or does it go back to the date of the original application?

Mr. MUTCH: Under the provisions for entitlement in World War II, every applicant had an initial hearing based on the documents, the papers, on his discharge, or subsequently when he applied. In many cases where there was obvious disability at the time of discharge, it was done without reference to him. But in the case where he applied, he got an initial hearing.

If he is displeased with the results, he has the right to come back as often as he wishes for a renewal hearing for the condition for which he has failed to succeed, and for any other condition which subsequently develops, or which he had forgotten, and now wishes to register. That continues until he finally decides to go to an appeal board hearing.

Mr. MONTGOMERY: Once an appeal board has heard the case, that is final.

Mr. MUTCH: Unless he or his counsel can establish, under section 65(4) that in the decision of the appeal board there was an error, by reason of evidence not having been submitted, or otherwise, such as a case where there was inadvertent failure to note that there was a statement on the record that certain diagnosis did or did not exist. These are the kind of arguments that are considered. The chairman will name an appeal board of the commission to review such a case,—not to review the decision of a previous appeal board, but to determine whether or not that original decision should be set aside, and the case should be heard de novo. Does that clear it up for you?

Mr. MONTGOMERY: I think that is pretty clear.

Mr. McINTOSH: Might I ask Mr. Mutch if he remembers a case that one of the members brought up I think at our last committee meeting. It had to do with the establishment of the fact that a disease did exist, and concerned the diagnosis of the disease in the first place. Do you remember that?

Mr. MUTCH: No, I am sorry.

Mr. McINTOSH: The chap was advised by the pension board not to proceed to an appeal board because there was another disease.

Mr. MUTCH: Another condition?

Mr. McINTOSH: Another condition, that is right.

Mr. MUTCH: That not infrequently happens. I do not remember the particular case, but actually this happens frequently. A man may come to an appeal. He comes before three of my colleagues on appeal for condition (a). In the course of discussion he may say: "that was before I got shot in my left knee." Then the A.B. looks at the file and finds there is no record of any gunshot wound. In such a case the chairman of the commission will say: I do not think we should proceed with this case; I suggest that counsel withdraw the current application and go back to the procedural sections to establish the entitlement for this new condition. In our thinking, the presiding member of the Appeal Board should require that the board have in front of it all the rulings or conditions for which the applicant wishes to claim before the Appeal Board finalizes his case. That is done frequently.

Mr. McINTOSH: If an applicant has been before an appeal board and has been turned down—

Mr. MUTCH: Or succeeded.

Mr. McINTOSH: Then he cannot apply without another diseased condition?

Mr. MUTCH: No, the decision of an appeal board is final save and until such time as he can come before us and establish that he has another condition of which he was unaware and did not record at the time. A new condition almost always results in automatic leave to re-open, if the commission accept the fact that he failed to claim for it in good faith in the first instance. It is almost automatic.

The CHAIRMAN: Is that section agreed to?

Agreed.

The CHAIRMAN: Gentlemen, we have reached the hour of five-thirty. What is the wish of the committee? We can carry on for a few more minutes, if you wish, and see what progress we make.

Mr. STEWART: Perhaps we can finish it today.

The CHAIRMAN: All right. We now have section 15, "War veterans allowance rates". Are there any questions?

Mr. ROGERS: I have a case here, Mr. Chairman, of a complaint. This concerns a man who is of the right age, but he has worked eight years for the Department of National Defence—he is a civil servant—so he is eligible for war veterans allowance at \$120 a month. He has a house, which he can sell for about \$7,000. That is the limit of his capital. He wants to take out his superannuation, which would amount to about \$1,100—a little less—or \$30 a month. Of course, they object to that. Is that right?

Mr. GARNEAU (*Chairman, War Veterans Allowance Board*): You mean is it right that the board objects to a man receiving his superannuation? Not that I know of. I would like to see that—

Mr. ROGERS: Do you mean to tell me he can take out this \$1,088?

Mr. GARNEAU: He is entitled to have personal property, if married, up to \$2,000; then a house worth \$8,000. If he becomes normally eligible to war veterans allowance, the only thing to be taken into consideration as regards personal property is whether he has no more than \$2,000, if married. That means that if he took his \$1,100 superannuation and had, say, only \$500 besides that in the bank, it would leave him perfectly eligible.

Mr. ROGERS: That is the part of his letter that I could not understand.

Mr. GARNEAU: I would like to see the case. If you wish me to look at it, I would be very glad to do so.

The CHAIRMAN: Are there any further questions on that section? We now have section 16, "Ceilings on permissive income". Are there any questions, here, gentlemen?

Then we proceed to section 17, "Widows allowance (section 30(11)(b) War Veterans Allowance Act)". Are there any questions in regard to section 17, or can we pass on to the next item?

Mr. BEECH: I am not quite clear on the intention of this, Mr. Chairman. If the man was eligible, is not the widow automatically eligible? Do they have to make application?

Mr. STEWART: This does not necessarily mean his widow.

Mr. GARNEAU: This covers the case of an unmarried veteran who is living in a common law relationship with a woman, but who has not made application to have that woman recognized as his wife under the act.

Mr. WEICHEL: After the veteran who is in receipt of war veterans allowance dies, can she receive payments up to a year?

Mr. GARNEAU: A woman duly recognized under section 30(11)(b)?

Mr. WEICHEL: Yes.

Mr. GARNEAU: She would be treated the same as any other widow and would be entitled to receive the one year marriage rates like any other widow, if financial conditions permit it.

Mr. WEICHEL: Would she be cut off in a year's time?

Mr. GARNEAU: Yes, normally. It is a tidying-over allowance given to the widow; in other words, the continuation of the rate her husband was receiving as a married man for one year in order to tide her over the readjustment period. If she became eligible in her own right as a widow after that period, that is after she attained the age of 55 years or over, or was so disabled as to render her entitled, she could come under the widows allowance, like everyone else.

The CHAIRMAN: Are there any further questions in connection with section 17; if not, I will declare it carried and we will proceed to section 18. Section 18 covers the merchant navy.

MR. CARTER: I would like to confirm that what is set out here in this section of the Legion's brief is from my own personal knowledge of merchant navy veterans in my own riding who are casualties and unable to earn a living. They are casualties because of their service in the merchant navy. I think they are just as much entitled to some consideration for themselves and their families as any other category of service personnel. A real hardship is being worked on many veterans in the merchant navy who are suffering today and unable to support themselves because of their war service.

MR. ROGERS: I quite agree with you.

MR. THOMPSON: Mr. Chairman, in this regard again there seems to be a misunderstanding, possibly on our part. But the minister in commenting on our brief says this matter was fully dealt with by the Standing Committee on Veterans Affairs at the last session of parliament. He said the committee did not consider this proposal was justified and no amendments were contemplated. We were not aware that this proposal of ours was ever before your committee. We certainly did not place it before you. The whole question of the merchant navy was brought before you by the merchant navy representative, but there is a difference between what they propose and what we ask. They asked for all the benefits that were available. In our brief we asked that war veterans allowance be made available. We referred to the fact that we accepted there was a differential in pay, but if you look at the re-establishment credits and war service gratuities and weigh this against the other, there would be justification for those veterans receiving war veterans allowances which would provide for them when they get along in years or suffer ill health. The work that these people were doing during wartime was certainly recognized at that time. They were held to be very valuable to the cause. A recognition of that was made when, I believe, an order in council, which was quoted by the then Minister of Transport, said:

The merchant marine, on which our seaborne commerce depends, is under present considerations virtually an arm of our fighting services, and the provision of merchant seamen, their training, care and protection is essential to the proper conduct of the war, and vitally necessary to the keeping open of the sealanes on which the successful outcome of the present conflict so largely depends.

We also mention the T-124 service people who were signed on by special agreement. We have an illustration of the type of service these men rendered. It is from a pension commission decision. I would like to quote a few lines of this:

His service included action at Gibraltar, Naples, Southern France, Bizerta, Toulon, and Marseilles and while aboard H.M.R.T. *Athlete* from July 10, 1944 to January 20, 1945 his ship took part in the assault landings in the south of France, being employed in towing of assault ships and craft off the beaches.

In our opinion these persons in the merchant marine and these T-124 people are worthy of consideration under the act.

MR. CARTER: I would like to make this observation, Mr. Chairman. In the last war, in my province, the casualties in the merchant navy were greater than those in the army, navy and air force combined. There are many widows and their families who have suffered untold hardship because their breadwinner paid the supreme sacrifice in the war and their country never accepted any responsibility for them. I think that is something which should have been corrected a long time ago and I think we should, even at this date, take whatever steps are necessary to correct it as soon as possible.

THE CHAIRMAN: We are at section 19, treatment services, D.V.A. hospital facilities in Newfoundland.

Mr. CARTER: I understand there is an allocation for this in the estimates.

Mr. LALONDE: The minister advised the Legion of this in his reply.

Mr. CARTER: Is this a new allocation or one carried over from last year?

Dr. J. N. CRAWFORD (*Director General, Treatment Services, Department of Veterans Affairs*): There is some of this in the 1959-60 estimates.

Mr. CARTER: Has Dr. Crawford received any correspondence from any branch of the Legion saying they are not satisfied with the arrangement?

Dr. CRAWFORD: No; on the contrary. I have had a letter from the Newfoundland branch of the Legion expressing satisfaction and recommending we enlarge the proposal to some extent. However, in the main they expressed very great satisfaction with the plan which has been discussed with them.

The CHAIRMAN: Are there any further questions? 20. Increase in adjusted income—section 13, treatment regulations.

Dr. CRAWFORD: Here I might say there are two recommendations; one to raise the floor from \$1,080 to \$1,200. We have picked on the figure of \$1,080 because this is the measure of indigency for war veterans allowance, and we felt we had to try to be consistent with ourselves in measuring this factor. If, as has been suggested, the floor for the war veterans allowance goes up, I think I can assure this committee that our floor will automatically go up in proportion.

As to the other recommendation, raising the ceiling from \$2,500 to \$3,000, it is not in our view an unreasonable recommendation. The level of \$2,500 was established in 1954, and was then tied roughly to the national average of annual earnings. So if this was a fair figure in 1954, it probably is not fair at the present time. However, the fact of the hospital plan has made section 13 much less important than it was previously, and quite frankly we have been waiting to see the effect of this plan before we made any recommendation for an increase in that ceiling.

The CHAIRMAN: Are there any further questions? Section 20 agreed to. Thank you, Dr. Crawford, that was very brief and to the point.

Now we move to section 21, "Civil service maintenance of preference".

Mr. STEWART: Agreed.

The CHAIRMAN: Everyone is agreed on section 21.

Mr. CARTER: I think that the veterans preference means different things for different people. I think somewhere it should be set forth for everybody to know just what the veterans preference means or was intended to mean, because I have had a lot of correspondence and a lot of discussion about the veterans preference and it turned out that it does not mean what I thought it meant. It means different things to different people.

The CHAIRMAN: I think there is a fairly specific formula for the operation of the veterans preference. Is there someone here who can explain it?

Mr. LUCIEN LALONDE (*Deputy Minister of Veterans Affairs*): I shall attempt to explain it. The veterans preference is applicable to initial entry into the civil service, but once a veteran has become a civil servant, the veterans preference is not applicable any more.

If he applies in a competition to enter the civil service and he qualifies for the position for which he applies, he may enjoy three levels of preference: one, if he is a pensioner, he enjoys first priority; two, if he has overseas service, he has less priority than a pensioner but more priority than a veteran without overseas service; and three, the third priority is based on service anywhere.

Mr. MONTGOMERY: Service in Canada?

Mr. LALONDE: Yes.

Mr. CARTER: Is it not based on an interpretation of what a veteran is?

Mr. LALONDE: No. It is based on the definition of veteran as a man who served in the armed forces.

Mr. CARTER: But if he did not serve overseas, he is not regarded as a veteran.

Mr. LALONDE: Yes, but he does not get the B preference.

Mr. CARTER: In some cases he gets nothing. If he did not serve overseas, he is not regarded as a veteran at all, and he does not get any preference whatever. He is just regarded as a civilian. That is the way it operates in some districts.

Mr. LALONDE: I will check that.

Mr. WEICHEL: Suppose we have five applications. Four of them were from civilians while the fifth was from a chap who served in Canada. The fifth man would have the preference, would he not?

The CHAIRMAN: That is just the point we are going to clarify.

Mr. LALONDE: You are right. Mr. Parliament tells me that the word veteran is defined in the Civil Service Act, and it is based on a man's being a recipient of a disability pension or having served overseas. Those are the A and B preferences.

Mr. CARTER: The fact that he served in the army does not make him a veteran.

Mr. LALONDE: Not as far as the preference is concerned.

Mr. WEICHEL: The third chap served in Canada. He would get a preference over the other four civilians, if there were just the five applicants.

Mr. STEWART: Not under that ruling. He is not a veteran.

Mr. LALONDE: I was right the first time. There are A, B, and C preferences. A is the pensioner who first gets it. He is at the top of the list. Then the veteran with overseas service; if there are no pensioners, a veteran who is qualified will go to the top of the list if he has overseas service. If there are no pensioners and no veterans with overseas service, then the veteran with service in Canada who is qualified will be placed above civilian applicants.

Mr. CARTER: That does not operate in all cases. Can you tell me this: what are the mechanics of allocating this preference? I understand when there are a number of applicants for a civil service position, the veteran is given a bonus number of points to start with.

Mr. LALONDE: No, not in Canada. That is the system in the United States, but not in Canada. He has to be qualified; he has to have so many points to qualify him for the position. I believe it is 70 per cent of the total points; and if he has more than 70 per cent of the total points, then he gets one of the three preferences to which I referred.

Mr. CARTER: That is practically the same thing in theory as if you were giving him a bonus of 30 points, because he qualifies up to 70 points, the same as the other fellow who has 100.

Mr. LALONDE: No, it is more than a point bonus, because if he had a 5 per cent point bonus, for instance, and he qualified with a mark of 72, and a civilian qualified with a mark of 85, his 5 per cent bonus would still leave him below the civilian applicant. In our case it is an absolute preference. The number of qualifying points given to a civilian applicant as compared with the veteran is not a factor. As long as the veteran has the qualifying marks, he automatically goes to the top of the list on one of the three priorities I have mentioned.

Mr. WEICHEL: If he has the same qualifications as the other man, and they both have 80 marks, as a disabled veteran, he would get preference over the other applicant?

Mr. LALONDE: Assuming the two applicants are both veterans and they both get 80 marks, and one has a disability pension and the other overseas service, the veteran with a disability pension is automatically the successful applicant.

Mr. CARTER: We are not concerned with that so much, but we are concerned with the case where there is a civilian and a veteran involved.

Mr. LALONDE: The same would apply as between a veteran and a civilian. If they both have 80 points, one is a civilian and the other is a veteran, the veteran is automatically the successful candidate.

Mr. CARTER: He gets no preference unless he can support it with his qualifications? He gets no preference unless his qualifications are equal to those of the civilian?

Mr. LALONDE: No.

Mr. CARTER: You said if they both had 70 points the veteran would get the preference. Suppose the veteran has 65 and the civilian 70?

Mr. LALONDE: If he has 65 points, he has not qualified for the position which he is seeking.

Mr. KENNEDY: I think that should be cleared up. In some places that is not being practised; the veteran in Canada does not always have any more right than a civilian.

Mr. MACEWAN: As I understand it, in the case of an active service veteran with overseas service, and a civilian, as long as the veteran makes the 70 per cent which has been referred to by the deputy minister, the civilian could make 100 per cent on the same examination and the veteran would still get the preference.

Some hon. MEMBERS: That is right.

Mr. CARTER: He has got to make at least 70? If he does not make 70 points, he is out altogether?

Mr. MACEWAN: Yes.

Mr. CARTER: I have sat in as Legion representative on some of these selection boards, and they have not operated in exactly the way the deputy minister has described.

The CHAIRMAN: On that point, the Civil Service Act has some very definite specifications for the operation of the veterans pension, and they are found in section 28. I do not know whether we should have it placed on the record or not, but it is quite clearly stated in section 28 of the Civil Service Act.

Mr. CARTER: I think the committee should know, too, that there are some instances in which the veterans preference is qualified by departmental regulations.

For example, an appointment to a post office can only be given to a person who is a patron of that post office. A civilian who applies there will get preference over a veteran who lives a couple of miles outside the community. Even though the veteran may be qualified and even though he may be in the service of the post office and serving in another post office, he cannot exercise his veteran preference, because he is governed by a regulation which says that the appointment must be given to a person who is a patron of the particular post office.

Mr. WEICHEL: Of course, that comes under the post office regulations.

The CHAIRMAN: On that point, Mr. Carter, would it be true that the veteran in the preferred area would get the preference?

Mr. CARTER: I would think so, Mr. Chairman. But there would be veterans who would be just as entitled to it. I mean, it is just an arbitrary regulation which does not make much sense, in my opinion.

Mr. WEICHEL: In the semi-staff office the appointment is from that area or locality. He has the opportunity to receive the appointment in the staff office. A man from Toronto can get an office in Kitchener, as long as he has the qualifications.

Mr. McINTOSH: What is the local ruling on that? If one act is opposite to the other act, which one takes precedence?

Mr. STEWART: A special act overrides a general act.

Mr. McINTOSH: The argument that there is not a veterans preference is not so in all cases.

The CHAIRMAN: Gentlemen, before we adjourn, we have some decisions to make. It does not appear that we have completed our discussions on this point, judging by the nature of the discussion that has been taking place. What is your wish in regard to completing the discussion of the Legion brief?

Mr. CLANCY: When is it convenient?

Mr. SPEAKMAN: When is it convenient for the Legion?

The CHAIRMAN: Would you like to follow the policy of hearing representations on Monday afternoon?

Mr. CLANCY: The Veterans Land Act is coming up next time.

Mr. WEICHEL: Could you not meet tonight?

The CHAIRMAN: That is rather difficult; and also from the standpoint of the reporting staff.

Mr. WINKLER: Could we leave it to the steering committee and follow their recommendations, as in the past?

The CHAIRMAN: That means next Thursday we shall continue with the estimates. We have the Veterans Land Act before us. So it would appear that perhaps next Monday would be the time, depending on the advice of the steering committee, when we could complete the discussion of the brief.

Mr. STEWART: What was the time?

The CHAIRMAN: Thursday morning at 11 a.m. and Monday afternoon at 3.30 p.m.

—The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

Estimates 1959-60 of the Department of Veterans Affairs

THURSDAY, APRIL 16, 1959

WITNESSES:

Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs; Mr. C. F. Black, Secretary of Department; Mr. T. D. Rutherford, Director, Veterans' Land Act; Mr. A. D. McCracken, Senior Administrative Officer; Mr. H. C. Griffith, Superintendent of Construction; Mr. W. Strojich, Superintendent, Property Division.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

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Vice-Chairman: G. W. Montgomery, Esq.,

and Messrs.

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Benidickson	Lennard	Robinson
Broome	Macdonald (<i>Kings</i>)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 238-S,
THURSDAY, April 16, 1959.

The Standing Committee on Veterans Affairs met at 11:00 o'clock a.m. The Vice-Chairman, Mr. Gage W. Montgomery, presided.

Members present: Messrs. Beech, Benidickson, Broome, Clancy, Fane, Garland, Herridge, Kennedy, Lennard, Macdonald (*Kings*), McIntosh, Montgomery, O'Leary, Ormiston, Parizeau, Pugh, Rogers, Speakman, Stewart, Thomas, Weichel, Winkler.

In attendance: Mr. Lucien Lalonde, Deputy Minister, Veterans Affairs; Mr. F. T. Mace, Assistant Deputy Minister; Mr. C. F. Black, Secretary of the Department; Mr. J. G. Bowland, Research Adviser; Mr. T. J. Rutherford, Director, Veterans' Land Act; Mr. A. D. McCracken, Senior Administrative Officer; Mr. H. C. Griffith, Superintendent of Construction; Mr. W. Strojich, Superintendent, Property Division; also from the Canadian Legion, Mr. D. M. Thompson, Chief of Service Bureau; Mr. M. MacFarlane and Mr. Bert Hanmer, Service Officers.

The Committee resumed consideration of the Estimates 1959-1960 of the Department of Veterans Affairs.

Mr. T. G. Rutherford was called, examined, and was retired.

During Mr. Rutherford's examination a few questions were answered by Messrs. McCracken, Griffith and Strojich.

Items 466, 467, 468, 469, 470, 471, 487 and 488 were severally considered and approved.

Mr. Lalonde was called. He made some corrections in the evidence reported formerly and he gave answers to questions asked at previous sittings.

Mr. C. F. Black was also called and gave answers to questions previously dealt with at former sittings.

At 1:05 o'clock p.m. the Committee adjourned to meet again at 3:30 o'clock p.m. Monday, April 20, 1959.

Antoine Chasse,
Clerk of the Committee.

EVIDENCE

THURSDAY, April 16, 1959
11:00 a.m.

The VICE-CHAIRMAN (Mr. Montgomery): Will you come to order now. We have a quorum. We have quite a number of items here and we would like to make as much progress as possible. This morning we are on estimates, and we will start with item 466.

SOLDIER SETTLEMENT AND VETERANS' LAND ACT

466. Administration of Veterans' Land Act; Soldier Settlement and British Family Settlement: \$5,152,331

Mr. McINTOSH: What is the page?

The VICE-CHAIRMAN: Page 82, and you will find the details on page 565. I am going to introduce to you this morning Mr. Rutherford, who is head of the Veterans' Land Act and of the Soldiers Settlement and, as he requires, he will introduce to you any officials who will be called upon. So without any further remarks, Mr. Rutherford.

Mr. T. J. RUTHERFORD (*Director of Veterans' Land Act*): Mr. Chairman and gentlemen, it is a real pleasure to be here again to answer for the Veterans' Land Act. I hope we will be able to give you any information that you want. I brought with me three of my division heads—Mr. McCracken, who is head of the administration division; Mr. Griffith, who is head of construction; and Mr. Strojich, who is head of the property division.

Most of you were here last year and you will remember I gave quite a lengthy talk on our activities, our policy and our organization. I do not think there is any need to do this again so soon.

I am going to confine myself to a few details as background for the estimates, and I will give you a few highlights of statistics. I will also give you a few of the major projects of this year. I will not be more than four or five minutes.

These, gentlemen, are the statistics which I think you should have in your mind in dealing with the estimates. The veterans settled to date, 76,875; the conditional grants earned—that is those who have been there for ten years or more and have been granted a conditional grant—25,112. Those who have fully repaid and taken title, 15,519; veteran to veteran sales, 3,919; quit claim deeds given, 2,024; changed to civilian purchaser, 1,160; vacated dominion and provincial lands, 631; rescinded for non-compliance with their contracts, 182. That is a total of 23,435, which leaves a total of 53,440 accounts on our books.

The heaviest settlement year was 1946-47, when we settled 20,542 people. Last fiscal year, 1957-58, we settled 2,132 and gave titles and other terminations to 4,894. Our estimate of future settlement—and this is just an estimate—is 9,100.

Expenditures made for land, permanent improvements to land, and for stock and equipment for veterans, \$382,094,000; conditional grants and stock and equipment earned, \$41,044,000; collected from inception, \$113,097,000; total falling due since inception, \$107,778,000; collected in excess of due, \$5,319,000; collected during 1958, \$21,086,000.

Due and owing over one year and under two years, \$126,000; due and owing over two years and under three years, \$28,000; due and owing over three years,

\$11,000. That is all that is due and owing over three years. Profit on sales of reverted property, \$1,586,000; losses on sales of reverted property, \$663,000.

With regard to home construction, houses commenced, 24,192; houses completed, 23,232. Construction schools held since inception, 699. These were commenced back in 1950. Total enrolment of construction schools, 19,000; number of schools held in the winter of 1958-59, 77; enrolment for last winter, 1,587.

Percentage of veteran contractors since inception, 69 per cent. A percentage of these houses were built by veterans acting as their own contractors, and since inception the figure is 69 per cent. Last year the figure was 91 per cent. The number of staff in 1947 was 1,704; in 1959 it is 952.

Gentlemen, I will give you a few of the highlights of last year's projects to bring you up to date. On-the-job staff training, to which we have always given a very high priority, was very much to the fore again this past year, with special emphasis on the completion of our appraisal qualifications. Of the 277 of our staff who, in 1957, studied for and passed the part I examinations set by the Appraisal Institute of Canada, 252 passed the part II examination in 1958. A goodly number of these are now fully accredited and are entitled to use the designation A.A.C.I., accredited appraisers, Canadian institute. The others have only to submit three sample appraisals and have them approved. When this has been done—and it should be completed this year—V.L.A. will have over 250, or just about half of all the accredited appraisers in Canada. And the institute has been in existence for some 20 years.

During the past 12 months, in addition to our own appraisal work, we have done appraisals for seven other departments of government, including 348 for the succession duties branch. Some of these were quite large and included industrial and commercial properties, as well as farms and homes. One of our recent appraisals for the Department of Citizenship and Immigration was used as the basis for a sale that was very close to \$6 million.

This professional training, which has done much to improve the techniques of our men who have to make appraisals or make decisions based on information contained in appraisals—has been taken by our staff at their own expense and largely in their own time. The examination fees alone cost them \$35. The institute membership is \$15 annually; and with the exception of one book which we bought recently for them, they bought their own books. The minimum cost of books is about \$14, and some have appraisal libraries that cost as much as \$60 or \$70.

In our 1958-59 training program we are emphasizing the screening and pre-loan counselling of applicants for farm credit. These things are vital to any successful farm credit scheme. Our purpose in this is to assure that government-sponsored credit is used to exploit success and never to reinforce failure. There is no advantage in the latter since it will only postpone the day when a man must give up an enterprise for which he is not suited, or which, in itself, lacks the elements necessary to its success.

Our credit advisors must also be able to judge whether the loan requested will make possible the assembly of a farm unit which will afford the farmer and his family a good living and at the same time maintain and pay for itself.

Those of our field supervisors who are qualified in the areas of pre-loan counselling, appraisal, modern farm organization, and farm management, and who have had at least two years successful experience in administering farm credit—and this includes 90 per cent of them—are now designated by us as "resident credit advisors" as we believe that this nomenclature is much more indicative of the type of service they are rendering.

Men with these special qualifications are essential in the successful administration of farm credit. Such men are hard to come by and, with more emphasis on supervised farm credit, will be in very considerable demand. As evidence of this, one of the provinces which recently hired a senior

member of our staff to head up their new farm credit branch is now offering our credit advisors one-third more money for the same work than we are able to pay them. Some of our men are going. We cannot afford to lose them at this time, but, under these circumstances, we cannot ask them to stay. To have to let such men go because we cannot pay them what their services are worth in the open market seems like "killing the goose that lays the golden egg", as they are the men responsible for V.L.A.'s settlement and collection record.

Over 600 production-line farming meetings were held throughout the country during the past fall and winter. These meetings are designed to interest our farmers in applying cost reducing production-line principles to the organization and operation of their farm enterprises. This is in order that they may better compete with the cost-price squeeze which, since 1952, has been draining most of the profit out of the agricultural industry.

A great deal of staff training material on the subject of "production-line farming" has been prepared and distributed to our field staff during the past ten years. This material has now been consolidated into a looseleaf handbook, which is kept up to date by inserting additions and amendments from time to time. Extra copies of this handbook have been made up as time permits and distributed to V.L.A. farmers, with the result that about 20 per cent of our farmers now have them.

The hundreds of letters which have been received from these farmers telling of the uses to which they have put the information contained in the handbook, indicate the importance of getting one in the hands of every one of our full-time farmers as soon as possible. This we hope to do this year.

With the help of this handbook, a farmer is in a position to develop his own production-line farm plan and have a draft ready to discuss with his credit advisor when he goes to see him. This, from a psychological point of view, is a much better approach than to have the credit advisor prepare a plan for him.

Farmers like to get all the planning help we have time to give them, but the plan itself must be their own as they are the people who have to make it work. However, it is the responsibility of our credit advisors to assure that government-sponsored credit is not used to put a poorly conceived plan into effect. This must be done through careful guidance, not by pushing the farmer into something he does not want. There is no time when farmers are so receptive to guidance as when they come to us to discuss the possibility of obtaining additional credit. That is the time when credit advisors can do their most effective work, and full advantage must be taken of it.

During the year we completed our survey of progress and future credit requirements which was started in 1957. The information obtained from this survey is most interesting and informative, but would be more appropriately discussed when our amendments are before you.

During the year, we also finished and issued a complete set of procedure manuals. This was a cooperative effort by head office and the districts. The use of these manuals has already resulted in a very large increase in the number of "one-shot" submissions and reports, which has done much to expedite and cut down work. These manuals are also very useful when breaking in new staff, and as a guide to staff members when pinch-hitting for one another on work with which they are not familiar.

These, Mr. Chairman, are the project highlights of the past year. There are two statistical highlights in which everyone has had a part, and of which both our staff and our settlers can be justly proud:

- (1) Out of 76,000 settled, only 182 have had to be put off their properties for any reason;

- (2) Although we are collecting over \$20 million each year, under \$12,000 remains due and owing over three years.

Thank you, Mr. Chairman and gentlemen.

The VICE-CHAIRMAN: Thank you, Mr. Rutherford.

Mr. SPEAKMAN: I would like to ask the director a question since this assistance available to veterans has now been increased. I have received a complaint to the effect that a settler who by his industry and hard work and perhaps careful management has paid out his original loan, is now not eligible for this increased assistance. I would like to know if this is a regulatory matter or is it a matter of legislation?

Mr. RUTHERFORD: That is a matter of legislation.

Mr. SPEAKMAN: It is in the legislation?

Mr. RUTHERFORD: It is in part 3 of the act. He must have a contract with the director before he can get this additional assistance.

Mr. SPEAKMAN: I wanted to have this clarified, because I think it is something we should change. I do not think we should bar a man who by industry and hard work has completed his contract and obtained title from obtaining this additional assistance.

Mr. RUTHERFORD: Some of the farmers, particularly in the west, are holding back a dollar in order to preserve their rights. A great many more have paid us up and gone to the Canadian farm loan board for assistance. They can get \$15,000 at the present time.

Mr. BENIDICKSON: But they do not provide supervisory services?

Mr. RUTHERFORD: No.

Mr. SPEAKMAN: And they are much more rigid in regard to the regulations and requirements for a loan.

Mr. RUTHERFORD: We are pretty tough ourselves, you know.

Mr. SPEAKMAN: I know, but they are able to discuss their difficulties with the supervisory services.

Mr. RUTHERFORD: Well, we do try to give every case full consideration; and if we do not approve the loan, we can usually persuade the veteran it would not be in his interest to get one.

The VICE-CHAIRMAN: Gentlemen, you are on item 466, administration.

Mr. McINTOSH: I have two questions to ask in regard to the director's remarks.

The VICE-CHAIRMAN: Proceed, Mr. McIntosh.

Mr. McINTOSH: You said you had an excess undue payment of \$5 million; is that prepayment?

Mr. RUTHERFORD: Yes, on land. \$1,200,000 of that is accounted for by crop share payments.

Mr. McINTOSH: In regard to the number you gave for quit claim deeds, was that \$2,004 or 2,004 quit claim deeds?

Mr. RUTHERFORD: 2,004 quit claim deeds. Actually, it is 2,024. By the way, we have copies of these statistics and will pass them around. Now, these are not all people who have gone off the farm because they were not succeeding. There were certain administrative purposes for which a quit claim deed was used, it was used for transferring property. For instance, they would give us a quit claim deed so we could sell the property to the wife.

Mr. McINTOSH: I was just wondering if we could have your view as to what a quit claim deed is?

Mr. RUTHERFORD: I think it is set out here. I would say that the majority of them were given to people who were not going to succeed and

who were persuaded that they should be doing something else. When I say there were only 182 put off the farm, those are the only ones we had forcibly to evict. Sometimes when a fellow is not getting along very well, we suggest a quit claim and we believe we are doing him a service. If he thinks he has a bad proposition and things are going wrong, we sometimes persuade him he would be better off in something else; and we will help him to get into something else.

Mr. McINTOSH: You are showing only 182 out of 2,024 that you had to put off?

Mr. RUTHERFORD: Yes.

Mr. McINTOSH: How many have you asked to go?

Mr. RUTHERFORD: In regard to quit claim deeds, 182 out of 76,000.

Mr. McINTOSH: How many others have you requested to give you a quit claim deed?

Mr. RUTHERFORD: I have not that figure with me. Out of that figure of 2,024 there probably would be 1,600 whom we persuaded would be better off to leave the farm. It is still a small percentage of 76,000.

Mr. ORMISTON: How many veterans were involved in these arrears you mentioned, either percentage-wise or in actual figures?

Mr. RUTHERFORD: It is a very small amount. Those who owe over \$200 are less than one per cent.

Mr. HERRIDGE: I think a good many members of this committee consider this idea of supervised farm credit an imaginative thing, something new. It holds great possibilities for extension to young Canadians who are not veterans and wish to farm. Would you give the committee some idea of how this supervised farm credit will generally apply throughout Canada and how you get a coordinated approach to the assessment of a certain situation and the coordination of assessments in regard to land, property, livestock and all that sort of thing. Can you give us a general idea how you are able to get this national approach to the problem?

The VICE-CHAIRMAN: Is it not true, Mr. Rutherford, that you will have to go through all this again when the bill is under consideration?

Mr. RUTHERFORD: Yes, I think so. However, I will give you a short answer to your question now. I think it is staff training. The important people in our organization are the people on the ground. We have 230 resident credit advisors and we spend most of our time looking after the training of these people. If you can build up an esprit de corps among your staff and get your field staff as well as the people in Ottawa, well trained, you will not have any trouble. It is training of the field staff that is important.

Mr. SPEAKMAN: I would like to ask the director how many soldier settlement accounts still remain unpaid?

Mr. RUTHERFORD: There are nineteen, but there are reasons for each one of them.

Mr. SPEAKMAN: Is this in all of Canada?

Mr. RUTHERFORD: There are six who are not eligible for any adjustment, and I can go into the reasons if you wish. There are four who wish to pay their indebtedness in full; they will not take an adjustment. There are eight eligible contract holders who did not qualify under the provisions; their present situation does not warrant it. There is one eligible for reductions but, for personal reasons, has made no offer. This does not require any special staff. They go through the mill with everyone else.

Mr. MACDONALD (*Kings*): In regard to administration, it seems in our area there was a slight contraction in your staff. Has there been any overall increase or decrease in the number of staff?

Mr. RUTHERFORD: There has been a decrease over the years. I gave you the figure of 1,704 in 1947-48 and it is down to 900 odd at the present time. I think there was a reduction of 25 or 30 this year. You cannot reduce in the same ratio as your work falls off, because V.L.A. is very widely distributed. You cannot thin out your field staff and do a good job. We try to thin it out at other levels, although we have reduced our field staff slightly.

Mr. MACDONALD (*Kings*): There has been a reduction then?

Mr. RUTHERFORD: Yes, a reduction of 27 this year.

Mr. MACDONALD (*Kings*): The additional work involved under part 3 has not kept your staff up to normal?

Mr. RUTHERFORD: No. I think the new amendments may; but I cannot speak as to that.

Mr. PUGH: How are quit claim deeds obtained? Are they obtained as a result of a court order through a veterans court, or how?

Mr. RUTHERFORD: No, sir, they give us a quit claim deed. They come in and say they would like to leave their property and would like us to sell it for them. They probably have to leave in a hurry to go some other place to work; and they give a quit claim deed. We manage the sale and give them the balance over and above what is owing.

Mr. PUGH: Has anything been forced through in court actions?

Mr. RUTHERFORD: No, there is a quit claim deed given.

Mr. PUGH: Apart from the quit-claim deed, has there been any action taken which would involve a veteran's land being taken away from him through a court order?

Mr. RUTHERFORD: I do not recall one, no. There is provision for foreclosure, in getting a man off who wants to remain. His case is taken before the provincial advisory board which consists of a judge of the county court, a representative of the Legion, and the district superintendent. They decide whether the director shall be permitted to issue a 30-day notice and put the man off his property. That has only taken place 182 times since inception.

Mr. PUGH: Those are actually pre-foreclosures?

Mr. RUTHERFORD: That is right.

Mr. BENEDICKSON: As of a certain date, whether it be December 31 or another convenient date, could the director give us the relationship to the annual expenditures roughly of \$5 million with respect to the estimate of interest and receipts due on the current outstanding indebtedness, assuming that there were not underpayments or pre-payments or overpayments.

Mr. RUTHERFORD: I think we could, but I could not give you that figure right away.

Mr. BENEDICKSON: I meant as of a certain date, say December 31, how much was outstanding? You say there are so many contracts, 53,400, on the investment account on the books; how much was there in dollars outstanding at that time?

Mr. RUTHERFORD: There has been \$41 million written off for grants; \$113 million has been collected and there is \$200 million outstanding right now. Interest is a little better than three and one half per cent due to accounts in part three. But if you take it at three and one half per cent on \$200 million outstanding, you would have about \$7 million.

Mr. BENEDICKSON: And your expenditures are about \$5 million?

Mr. RUTHERFORD: That is right.

Mr. HERRIDGE: You mentioned a group of advisors who in some cases were leaving you because of the salary rate being paid. Could you tell us

the present salaries paid? What salaries are being offered these advisors in these other positions? I think that is most unfortunate.

Mr. RUTHERFORD: I have it here somewhere if I can only put my hand on it. Here we are: the province of Manitoba is paying their agriculturalists from \$5,760 to \$7,320. Our equivalent people are getting from \$4,710 to \$5,310. That is almost the same as Alberta and Saskatchewan. Saskatchewan pays from \$5,952 to \$7,140 as against our \$4,710 to \$5,310. Alberta, ranges from \$5,700 to \$7,140 as against our \$4,710 to \$5,310.

Mr. HERRIDGE: What academic qualifications are required for credit advisors?

Mr. RUTHERFORD: We have a preference for agricultural graduates, but it is mandatory. We find that we need men who have had wide experience including business experience, and who have been successful farmers for at least ten years. We have quite a percentage of graduates, but can find no difference between graduates and non-graduates based on the results obtained. To get the right man with the right background is the main thing.

Mr. BEECH: I want to say what a marvellous job the branch has done in connection with this part two. I wonder if the interest is still being maintained? You had 1,587 enrolments. What percentage of these people would come through? What has the record been?

Mr. RUTHERFORD: Of the 1,587 enrolments—I gave you the tables here because it would take too long to read them—out of 24,192 houses which have been commenced, 2,157 are under part two, and that has all been since 1954. There were only a very few in 1954, and in 1955.

Mr. BEECH: So of the 1,587 enrolments which you say you had in 1958-59 what percentage of those people have made final application and have been accepted?

Mr. RUTHERFORD: About one-half. We collect a certain amount of money from these people. They pay a different amount at different schools, and we give this back to them once they have signed the contract. So the people who do not build, while they get the benefit of very cheap tuition, pay a little for it. They pay for the cost of the material used.

Mr. BEECH: Is interest still being maintained in this particular section?

Mr. RUTHERFORD: Yes.

Mr. BEECH: Are you still acquiring land for this purpose?

Mr. RUTHERFORD: Yes, we are.

Mr. THOMAS: I notice that 631 farms were vacated on dominion and provincial land. Could the director give us any idea where these were located and the reason why they were failures?

Mr. RUTHERFORD: The majority of them were "early on"; many of these people took the bush off and left.

Mr. THOMAS: They were homesteaders?

Mr. RUTHERFORD: Yes, homesteaders pretty much. Most were in the provinces of Quebec and Alberta. This was something over which V.L.A. did not have a great deal of control. At the present time we have two projects, one of which is in Alberta and one at Carrot River, Saskatchewan. The provinces are cooperating well in helping to keep these people on.

Mr. THOMAS: Were additional grants provided?

Mr. RUTHERFORD: We gave them a grant of \$2,320 which was the maximum conditional grant for a veteran settled under our act. They earn that in ten years.

Mr. THOMAS: How were these provisional grants given?

Mr. RUTHERFORD: We either effected permanent improvements on the property which was still owned by the province, or we purchased livestock and equipment. It could be used for either purpose.

Mr. ORMISTON: In the Carrot River scheme they could not find purchasers for the land which was left.

Mr. RUTHERFORD: The province takes it back. They pay us for any improvements we put on it, that is, if the veterans turn it back within ten years. After that the veteran gets paid for it. But if there are improvements, when they sell the property they give the veteran so much. They are paid for what they invested at its present value.

Mr. HERRIDGE: What is the relationship of your credit advisors in connection with the province and the federal Department of Agriculture? Is there some cooperation there?

Mr. RUTHERFORD: I would say there is absolute co-operation, and it is important that there should be. When meetings are held it is very seldom that the agricultural representative is not invited to come and take an active part. We suggest the part that they should take because we feel that the job of the credit advisor is one of pre-loan counselling. If the payments are met, and the farmer is considered capable, we encourage him to use the provincial facilities.

Everything is coming along nicely. There were a few hitches early on, but there is good co-operation now with every province.

The VICE-CHAIRMAN: Are there any other questions under item 466?

Item agreed to.

467. Upkeep of property, Veterans' Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property; taxes, insurance and maintenance of public utilities \$ 55,900

Item 467 agreed to.

468. Grants to veterans settled on Provincial Lands in accordance with agreements with Provincial Governments under section 38 of the Veterans' Land Act and grants to veterans settled on Dominion Lands, in accordance with an agreement with the Minister of Northern Affairs and National Resources under section 38 of the Veterans' Land Act \$ 190,000

Mr. MACDONALD (Kings): I wonder if Brigadier Rutherford would explain about provincial land grants. Are there any veterans settled under that section?

Mr. RUTHERFORD: I do not think we have an agreement with Prince Edward Island.

Mr. MACDONALD (Kings): Can you roughly explain what type of settlement that covers under provincial land?

Mr. RUTHERFORD: That was what we were talking about. When the province settles a veteran on provincial land, we may give him a grant equivalent to what we give to a man under section nine. This is earned in ten years under almost the same conditions, provided he stays on that provincial land.

Mr. THOMAS: Could the director give us an idea of whether that particular type of settlement on provincial or dominion land was successful and if successfully effected, if it improved the property?

Mr. RUTHERFORD: Let me answer you this way: since I have been with the branch, particularly since 1950, we have done nothing to encourage it, because we feel that there are a good many reasons why we should see that

land which is available and serviced with hydro, telephones, churches, schools, roads and so on, and which is still available, should be used first. Some of these projects are good, but some of them are very difficult for the settlers. Some will be quite successful, but it may take a long time.

Mr. HERRIDGE: Can you tell us how many there are in British Columbia, and where they have been located generally?

Mr. RUTHERFORD: I could give you that, but it would take a little time.

Mr. HERRIDGE: Thank you.

Mr. RUTHERFORD: They are in the Cariboo and between Prince George and Prince Rupert, with some in the Kootenays and in the Peace river block of course. We consider the block as in Alberta because it is administered from Alberta. There are 192 all told.

Mr. HERRIDGE: That is quite a number.

Mr. RUTHERFORD: I think there are some on the Queen Charlotte islands too.

Mr. BROOME: We cannot have that.

Mr. BENIDICKSON: Some years ago—I think it was in Saskatchewan—the Veterans' Land Act was being asked to provide normal land to veterans; but in this instance it seems to me that what is involved was the opening up of new land on a cooperative basis. Did that project succeed? What has been the experience both in the payment for the land and the permanent settlement of the original members of the group?

Mr. RUTHERFORD: There was one very successful co-operative at Matador, on the Matador ranch. The province subdivided it and put a co-operative on it. At Carrot River there were sixteen co-operatives set up but all six have disbanded, and of these one is in the process of disbanding now. That does not mean that these men have left, but that they have ceased to be co-operators. We assisted them with equipment which was brought co-operatively, and when they disband it is divided up.

Mr. BENIDICKSON: How many persons were involved in the southeast of my province at Matador?

Mr. RUTHERFORD: Eighteen.

Mr. McINTOSH: By the way, that is north of Swift Current.

Mr. RUTHERFORD: There were sixteen cooperatives. Six are still in existence. The total number individually established was 107.

Mr. W. STROJICH (*Superintendent, Property Division, Veterans Land Act*): There were 16 grants earned. There were a total of 99 veterans established on the cooperative. Of those 99, 16 have earned grants; 6 have repaid loans and were reestablished under the Veterans Land Act under other sections of the act as individual owners under a repayable loan. Seventeen were established individually under other provincial arrangements. They left their cooperatives and changed their location. There were 37 that left. Twenty-three are still operating and we assume will earn their grants under the act. That is in respect of the cooperatives.

In addition to that, there are 107 in the general area of the Carrot river who were established individually as farmers. Of those 107, 13 have left their properties for one reason or another. Twenty-four have earned grants. Seventy are still on provincial leases and are farming. We assume they will earn their grants.

Mr. HERRIDGE: What is the usual reason given for veterans leaving cooperative areas?

Mr. RUTHERFORD: I could not answer that. I was at Carrot river once when some were speaking of leaving. They said they would like to be on their own. That was the only reason I got from them.

Mr. HERRIDGE: Is it the fundamental individualism of the Canadian farmer?

Mr. RUTHERFORD: Probably.

Item 468 agreed to.

469. Grants to Indian veterans settled on Indian reserve lands under section 39 of the Veterans Land Act \$ 75,000

Mr. THOMAS: Could we have the same information concerning the Indian grants and the number of Indian settlers who were started, the number who have completed their contracts and the number who have given them up?

Mr. RUTHERFORD: The number established as of March 31, 1956, was about 1,570. There were 1,500 at March, 1956; the next year, 37, the next year, 21 and the next year, 15. Of course they are administered by the Department of Citizenship and Immigration under the Indian affairs branch.

Mr. THOMAS: How many, if any, have given up?

Mr. RUTHERFORD: Fifty-seven have left.

Mr. STEWART: Are there any in the province of New Brunswick?

Mr. RUTHERFORD: There are some, but we do not have the figures.

Mr. THOMAS: Could I have the numbers sometime?

The CHAIRMAN: It will be furnished later.

Mr. STEWART: That will be fine.

Item agreed to.

470. Reduction of indebtedness to the Director of Soldier Settlement of a settler in respect of a property in his possession, the title of which is held by the Director, or such Soldier Settler Loans which are administered by the Indian Affairs Branch of the Department of Citizenship and Immigration, by an amount which will reduce his indebtedness to an amount in keeping with the productive capacity of the property or his ability to repay his indebtedness under regulations approved by the Governor, in Council \$ 1,500

Item agreed to.

471. To authorize, subject to the approval of the Governor in Council, necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act and to correct defects for which neither the veteran nor the contractor can be held financially responsible; and for such other work on other properties as may be required to protect the interest of the Director therein \$ 11,850

Mr. STEWART: Could we have an explanation of item 471?

Mr. RUTHERFORD: As to remedial work?

Mr. STEWART: Yes?

Mr. RUTHERFORD: That has to do principally with the 2,673 houses which were built in the 1945-1946 project. Some of them were considered not of very good construction and difficulties are still cropping up. This vote does not apply to houses built by veteran contractors because they are themselves responsible. Where there was a civilian contractor and something was found to be wrong with the house after it was completed and paid for, and it was not possible to have it rectified by the contractor, then we have some responsibility having supervised the construction.

We have to have a little money in the "kitty" to pay for these things.

Mr. STEWART: Thank you.

Mr. PUGH: That is a forecast of expenditure of what you reasonably think you will have to put out. Would that amount run around \$9,000 a year straight back?

Mr. RUTHERFORD: There are a few other items in that as well as remedial.

Mr. H. G. GRIFFITH (*Superintendent of Construction, Veterans Land Act*): We set a figure of \$5,000 for construction. We have not been using that amount up to the present time, but there are other items included in that amount.

Mr. PUGH: Is there a figure of the amounts which have been paid out since the start of 1946?

Mr. GRIFFITH: That could be made available.

Mr. A. D. MCCracken (*Senior Administrative Officer, Veterans Land Act*): I can give you the expenditure figures from 1950-1951 to the present. For 1950-1951 it was \$7,974, in 1951-1952 it was \$7,848, in 1952-1953 it was \$510, in 1953-1954 \$2,285, 1954-1955 nil, 1955-1956 \$3,290, 1956-1957 \$9,405, 1957-1958 nil. We estimate it at \$9,000 for 1958-1959.

Mr. PUGH: On what amount of contracts?

That is an accumulative total of something over \$23,000 for housing.

Mr. MCCracken: Some of this money is spent on subdivisions for other than houses, on such things as drainage or roads which we have not yet had taken over by the municipalities.

A few years ago in one case there was an easement which had not been previously discovered on one of the subdivisions.

For this coming year 1959-1960 we have knowledge of approximately four cases where we may have to spend some money in correcting defects for which neither the veteran nor the contractor is responsible or could not be held responsible.

Mr. PUGH: If there are defects, surely the contractor would cover that?

Mr. MCCracken: There is one case right now where the work was carried out; in fact, it is either virtually complete or has been completed. In this instance, as soon as the final costs are determined the matter is going to be referred to the Department of Justice for consideration of legal action.

Mr. PUGH: That total you gave us is roughly \$40,000. I am wondering, if it is not added to the veterans contract, if something should be done in each case to see you get it out of the contractor?

Mr. HERRIDGE: Is it not correct to say that this \$40,000 includes quite a number of other items besides repairs or improvements?

Mr. MCCracken: As an example of the \$9,405 spent in 1956-1957 there were something like \$5,000 required on one subdivision to correct a drainage situation, ditching and roads. So it does not all relate to contractors' houses. That subdivision had been developed in 1945-1946.

Mr. PUGH: It does not all apply to bad contract work?

Mr. GRIFFITH: No.

Mr. HERRIDGE: No. As one of the older members of this committee I may say that this was quite a problem in 1946-1947 because of the way in which the building was done then and the problem of obtaining materials in haste. In my opinion the total is very small and has been more to the benefit of the veteran in every case than it might have been if there had been a lot of legal quibbling.

Item agreed to.

SOLDIER SETTLEMENT AND VETERANS' LAND ACT

487. Protection of security—soldier settlement and refunds of surplus to veterans	\$ 4,550
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Mr. RUTHERFORD: There is one correction I might make. The appropriation for 1958-1959 was not sufficient for our purposes and there was a supplementary vote of \$1,204,000.

Mr. LALONDE: You are on the wrong item.

Mr. RUTHERFORD: I am sorry. This has to do with the next item. There was a supplementary and the figure of \$14,827,000 should read \$16,362,050.

The VICE-CHAIRMAN: Item 487. Are there any questions?

Item agreed to.

The VICE-CHAIRMAN: Item 488. The explanation given by Mr. Rutherford pertains to 488. Are there any further questions?

488. Purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment; and protection of security under the Veterans' Land Act \$15,687,465

Mr. LENNARD: This is a capital item?

Mr. RUTHERFORD: Loans and investments.

Mr. HERRIDGE: What is the policy of the branch at the present time with respect to acquiring properties in advance of applications by veterans? I have in mind some very suitable locations around Trail which, if they were purchased by the branch, would provide opportunities for settlement under the small-holding section.

Mr. RUTHERFORD: Where there is a demand for it. The policy is, not to buy in advance of demand.

Mr. HERRIDGE: You do not buy in advance of applications?

Mr. RUTHERFORD: Yes; according to demand. The Legion generally organizes a group that wants to buy, or some other group does, and asks for a particular property. Or, if the demand is there, we will try to buy suitable property.

Mr. ROGERS: Mr. Chairman, have we an estimate of what the settlement will be this year?

Mr. RUTHERFORD: If there were no changes in legislation, our estimate is that it would be approximately the same as it was in the past fiscal year—probably a few less farms. If there is more money available, we think it will go up.

The VICE-CHAIRMAN: Are there any further questions?

Mr. HERRIDGE: Do I understand that if, say, the Legion in Trail notified the branch that a number of World War II veterans had signed forms seeking locations under the small holdings section of the Veterans' Land Act, the branch would then do its best to obtain property to meet that need?

Mr. RUTHERFORD: Yes. We would want to test that demand to make sure the people were prepared to buy it.

Mr. HERRIDGE: Prove the demand?

Mr. RUTHERFORD: That is right.

The VICE-CHAIRMAN: Does that item carry?

Item agreed to.

The VICE-CHAIRMAN: That covers the items, with the exception of item 1, and I think we had better leave that out until we finish on Monday. There is another delegation to be heard on Monday, and we will finish with the Legion.

Mr. HERRIDGE: This is only a preview, actually, of the Veterans' Land Act administration, is it not, in view of the act?

The VICE-CHAIRMAN: In view of the act, yes. There is going to be a bill before us, and you can then go into the legislation of the Veterans' Land Act again very fully. I think Colonel Lalonde, the deputy minister, wishes to fill in some places.

Mr. LALONDE: Mr. Chairman, I should like at this stage to complete the record as far as corrections and answers to previous questions are concerned.

We have not had a chance at previous meetings to do this, and I should like to do that now before the study of the estimates is completed.

First of all, the corrections. At page 67 the chairman of the army benevolent fund is shown as General Murchison. So there will be no confusion, I should like to point out that his name is General Murchie.

At page 133, in the last paragraph of Mr. Parliament's statement in line one, it now reads "706 girls of the 382". This should read, "106 girls of the 382".

At page 145 the annual grant to the army benevolent fund is shown as \$9,000. This should read, \$8,000".

At page 146 of the record it is indicated that the army benevolent fund started in 1946 with \$7 million. We have checked that figure. We did not have the information at the time. We have checked the figure and it shows that the original amount placed in the fund was \$9,293,477. Up to March 31, 1958 revenues, consisting mostly of interest, amounted to \$2,684,922, with the result that the total receipts to that date were \$11,978,399. The fund had spent out of that \$4,461,004. So that you can see from these figures that there has been a fairly substantial decrease of capital since the fund started its work.

At page 35 of the record there is a question by Mr. Speakman asking us whether we could determine what the cost would be of having medals distributed for World War II engraved locally. I am sorry, but we are not able to give you a definite answer on that, because from the information which we have been able to gather the price would vary between each city and even within each city between the people who could do the work. The only information we were able to gather was an estimate from Henry Birks and Sons, and they told us as far as engraving was concerned, the normal cost would be between 10 and 12 cents a letter, which would mean about \$2 a medal. That is for engraving. There are other methods of achieving the same results, but there are so many methods that it is impossible to give you a definite figure.

MR. SPEAKMAN: Thank you very much.

MR. LALONDE: Mr. Speakman, and also Mr. Pugh, asked for the number of veterans in the Yukon and the concentration in the centers of population, particularly Whitehorse. We have been in touch with the Department of Northern Affairs and with the Dominion Bureau of Statistics, and they have provided us with the following information. I must say that until the next census takes place this is the only source of information that we could have about population in the Yukon. They tell us that the total population is now estimated at 13,000 of whom 11,300 are whites and the remainder, 1,700, nearly all Indians. There are estimated to be 7,300 males, of whom about 2,300 are between the ages of 35 and 75. The population figures for the incorporated municipalities of the territory in 1956 showed 2,600 civilians in Whitehorse, with about 2,500 military personnel and their dependents stationed just outside the town. There were 850 persons in Dawson, and 250 in Mayo. The remainder of the population is scattered in small settlements and, as you know, is widely dispersed. The present veteran population of the whole territory is difficult to determine with any accuracy. The records of our department show that there are only 14 war veterans allowance recipients in the area. I am also informed that the number of pensioners under the Pension Act is about 60.

Assuming the percentage of veterans is as high as 50 per cent of the male population between 35 and 75—which, by the way, would be unusually high—the total number of veterans would be between 1,100 and 1,200. And our files do not reveal the proportion of veterans in the three municipalities which I have mentioned. But we think that the number in Whitehorse would likely be around 260, applying the usual percentage of veterans population to civilian population.

This figure is, we think, supported by the information which I have, that the only Legion branch in the territory, which is situated at Whitehorse, has a membership of about 200. On the same basis, we think there might be about 85 veterans in Dawson and about 25 in Mayo. Does that answer your question?

Mr. SPEAKMAN: Thank you.

Mr. LALONDE: Mr. O'Leary asked for some information about the basis which was used to arrive at a decision on the limiting of 365 days' service in the United Kingdom in World War I for the purposes of war veterans allowance.

I have looked over the information which we have and our first record of representations on this subject is a resolution passed at the 1948 convention of the Canadian Legion. It read, "Resolved that the benefits of the W.V.A. Act be extended to Canadian veterans who served in Great Britain only for a period of 18 months or more during World War I".

The matter was subsequently discussed in various parliamentary committees, but no specific recommendation was made and no action was taken on this subject by the government.

In November, 1956, the Canadian Legion presented a brief to the Prime Minister and to the cabinet in which this resolution appeared, "Veterans of World War II who served in England only are eligible for W.V.A. and many who served in the same theatre during World War I suffered equal, if not greater hardship. The Canadian Legion therefore recommends that Canadian veterans of World War I whose overseas service was restricted to the United Kingdom be eligible for W.V.A., provided that such service be at least one year in duration".

Following this, we were instructed to make a survey of the numbers involved and to estimate the cost of various proposals. We found that around 80,000 veterans had served in the United Kingdom only in World War I and that their service was distributed as follows: in 1914, 4,147; in 1915, 12,475; in 1916, 19,411; in 1917, 10,388; in 1918, 33,459, and in 1919 the figure is 120.

Deductions were made from this total number to exclude groups such as deaths, desertions, transfers to other forces, et cetera, and this left us with a potential of around 64,000 individuals.

We then made a sample survey of these to determine length of service in the United Kingdom, and our findings indicated that approximately 30,000 were either in receipt of disability pension or were dual service veterans. This left us with a balance of 34,000 who would be involved in any decision along these lines. These 34,000 were divided into three groups: those who had 12 months service or more, there were 8,800 of those. There were 4,900 who had only between six and twelve months' service and 20,600 with six months or less.

We also estimated at the time that 10,800 widows would be involved and their number would be divided into the same three groups. These are the figures. There were 3,500 widows whose husband served for twelve months or more; 1,600 whose husband served between six to twelve months and 5,700 whose husband served less than six months.

When we made this survey in 1957, we estimated that out of the first group I have mentioned, 2,280 veterans and 1,050 widows would qualify immediately from the viewpoint of age and income; and that the cost of granting them the allowance would be an additional \$3 million a year.

If eligibility was to be granted at the time to the three groups, applying the same percentage with respect to age and income, the total cost would have been \$10 million a year and the number affected would have been 7,500 veterans and 3,200 widows.

The government then made the decision to present an amendment to the act to parliament and this amendment was approved, granting eligibility to the

first group only. The decisions behind this amendment were explained in the house by the present minister at page 886 of *Hansard* of November 7, 1957.

When the Hong Kong veterans appeared before the committee there were a number of questions asked at pages 110 and 111, which went unanswered at the time because we did not have the information. Our departmental secretary, Mr. Black, has been working hard to obtain as much information as it is possible to get at this stage on the subject. I would like to ask him to give the committee the information.

The VICE-CHAIRMAN: Gentlemen and members of the committee, Mr. Dinsdale received a letter from the Minister of Finance explaining the situation in regard to the war claims fund. I wonder if this letter should be read into the record before the next explanation of this fund comes up? What is your wish? Would it be agreeable to just hand it in or would you like to have it read first?

Mr. HERRIDGE: I think, Mr. Chairman, it would be a good idea to have it read before any further information is given. I would ask the Clerk to read the letter.

THE CLERK OF THE COMMITTEE:

Ottawa, April 10, 1959.

Mr. Walter Dinsdale, M.P.,
Chairman of the Standing Committee
on Veterans Affairs,
House of Commons,
Ottawa, Canada.
Dear Mr. Dinsdale:

As a result of questions which were asked at the meeting of the Standing Committee on Veterans Affairs on March 9, 1959, the Deputy Minister of Veterans Affairs has asked this department to supply information concerning the war claims fund for the benefit of this committee of which you are Chairman.

The war claims fund was established by the Minister of Finance in accordance with the authority given to him by parliament under vote 696 of the supplementary estimates for the fiscal year 1952-53. I am attaching a copy of the wording of this vote for your information.

This procedure implemented the recommendation of the advisory commission on war claims under Chief Justice J. L. Ilseley of Nova Scotia, which was established on July 31, 1951, to inquire into and report on war claims prior to the establishment of the present war claims commission whose function has been primarily to review all claims and to recommend awards in accordance with the war claims rules.

The advisory commission recommended that the war claims fund consist of funds drawn from appropriate ex-enemy sources. At the time of the submission of the report of that commission on February 25, 1952, the estimate of the probable total of assets which would be available for liquidation and payment into the fund was \$10 million. The level of the war claims fund has fluctuated over the years but at its peak this fund never passed the \$12 million level, including the par value of bonds which were transferred to the Minister of Finance by the custodian pursuant to the vote which provided for the establishment of the fund. Interest is credited from time to time on the cash balance in the fund and is earned by the bonds held for the credit of the fund.

The fund is being rapidly depleted at the present time due to the large payments in respect of the supplementary maltreatment awards

which are still being paid. While accounts for the last fiscal year are not yet final, tentative figures for the position of the fund on March 31, 1959, show that the combined value of the cash and the market value of the bonds held to the credit of the fund was about \$4.6 million.

The total of payments on claims from the fund up to that date in respect of war operations involving Japan was \$5.2 and \$4.7 million in respect of operations elsewhere or a total of \$9.9 million. Maltreatment awards comprise the greater part of those related to the war operations involving Japan as is seen from the following table:

Hong Kong veterans and dependents	\$3,021,414
Canadians serving with British forces	188,940
Civilians	494,788
	<hr/>
	\$3,705,142

The balance of \$1.5 million of the Japanese awards has been paid to civilians for death, personal injury and property loss claims in the Far East.

On considering the question of a possible ultimate balance in the war claims fund, I should point out that the outstanding amounts claimed are many times the present balance although it is still too early to say what will be the total of the amounts recommended for payment by the chief war claims commissioner. While the payment of the supplementary maltreatment awards to former Hong Kong prisoners is almost complete, there are still large numbers of former prisoners in Europe who have not yet been paid their supplementary awards. The recent publicity given to this subject has brought in many new claims from the latter group and there are claims still pending for death and personal injury as well as property claims which have been assigned the lowest priority.

I might add that the bulk of the unsettled claims are in respect of the war in Europe so that the proportion of awards already paid in respect of the Far East should not be regarded as representative of the final distribution of valid claims as between the two areas of conflict.

Yours sincerely,

Donald Fleming.

696 To authorize

- (a) the custodian of enemy property to transfer to the Minister of Finance such property, including the proceeds and earnings of property, that is vested in the custodian in respect of World War II as the governor in council prescribes,
- (b) the Minister of Finance to hold, sell or otherwise administer property received by him from the custodian under paragraph (a) or from other sources by way of reparations by former enemies (except Italy) in respect of World War II, and
- (c) the Minister of Finance to establish a special account in the consolidated revenue fund to be known as the war claims fund, to which shall be credited all money received by him from the custodian under paragraph (a) or from other sources by way of reparations by former enemies (except Italy) in respect of World War II, the proceeds of sale of property under paragraph (b), the earnings of property specified in paragraph (b) and amounts recovered from persons who have received overpayments in respect of claims arising out of World War II;

and, notwithstanding section 35 of the Financial Administration Act, to provide for payments out of the war claims fund in the current and subsequent fiscal years, in accordance with regulations of the governor in council, to persons who claim compensation in respect of World War II, for the payment out of the war claims fund in the current and subsequent fiscal years of expenses incurred in investigating and reporting on claims of those persons and for the repayment out of the war claims fund to vote 128 (miscellaneous minor and unforeseen expenses) of all amounts that have been paid out of that vote pursuant to the war claims interim compensation rules established by Order in Council, P.C. 667 of February 4, 1952 1.00

Mr. BEECH: Does that include the ones recorded as a result of the capture of any vessels? There is some prize money; is that included in this vote?

Mr. LALONDE: As I understand the letter, this includes the property which came under the custodian of enemy property which was situated in Canada at the beginning of the war and which belonged to enemy aliens.

Mr. BEECH: I had an inquiry the other day as to what happened to the prize money that accrued as a result of the capture of enemy ships.

Mr. LALONDE: I do not think it is included in this, Mr. Beech.

The VICE-CHAIRMAN: Mr. Black will now make his statement.

Mr. C. F. BLACK (*Departmental Secretary, Department of Veterans Affairs*): There were various items mentioned in the brief presented by the Hong Kong veterans about which there was some discussion or about which we promised to provide information.

I shall take them in the order in which they occur in the proceedings. On page 110 Mr. Carter asked a question concerning the agreement signed at Berne with respect to the Geneva convention regarding the treatment of war prisoners. This convention was signed in 1929 by many powers including Canada and Japan. Ratification of that treaty was made by certain of the powers. Japan, however, did not ratify it, or, I am informed, did Canada until some years later.

Following the beginning of the war, in December 1941, a British commonwealth committee through an intermediary power approached the Japanese authorities with the statement that the British commonwealth proposed to abide by the terms of the Geneva convention. And in February, 1942 the Japanese replied that they also would abide by the terms of that convention, but they added the words "mutatis mutandis". That phrase has not yet been satisfactorily explained.

On page 118 the Hong Kong veterans association mentioned two orders in council that had been issued with respect to payments which would be given to the veterans of Hong Kong, or more generally, the veterans of Canada as a whole.

We have found three orders in council and we have been provided with copies of them by the Department of National Defence. These orders in council are rather long, and I propose merely to summarize their provisions and table them for inclusion in your report, if that is satisfactory.

The VICE-CHAIRMAN: It is agreed.

Mr. BLACK: The first one is P. C. 3593 dated May 17, 1945. This order in council provided for additional pay, which could be called Pacific pay, for the Pacific force which was being formed in anticipation of operations in the Far East. This order made no reference to additional pay for Canadians who had previously served in the Far East, including the Hong Kong contingent.

P. C. 3593

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by his Excellency the Governor General on the 17th May, 1945.

The Committee of the Privy Council have had before them a report, dated 16th May, 1945 from the Honourable D. C. Abbott, for the Minister of National Defence, stating as follows:

1. (a) The Governments of the United Kingdom and the United States of America have provided additional pay for service in the Far Eastern Theatre of war.

(b) It is now deemed expedient to provide additional pay for those members of the force who will serve with the Canadian Pacific Force in recognition of the extra hazards peculiar to that theatre of war and to place the general scale of Canadian pay for the Japanese Campaign on a more favourable comparative basis with the British and American scales of pay for personnel serving in the Pacific theatre of war.

(c) The proposed rates of additional pay set forth in the Order hereto attached would provide an additional rate of pay for all members of the Canadian Pacific Force while serving with that Force beyond the territorial limits of Canada. The computation of this pay is based on a graduated scale similar to that used by the Government of the United Kingdom as it is considered more equitable that the basis of American Foreign Service Pay which provides an increment of ten per cent for officers and twenty per cent for men while serving beyond the continental limits of the United States.

(d) The rates provided in the said Order for members of the C.W.A.C. are approximately four-fifths of the appropriate men's rate.

2. The estimated cost of the foregoing proposal for seven months of 1945-46 amounts \$2,207,188.00 of recurring expenditure, for which funds are available in the 'Pay and Allowances' Allotment of the 1945-46 Annual Army Estimates.

The Committee, therefore, on the recommendation of the Honourable D. C. Abbott, for the Minister of National Defence, advise that the Financial Regulations and Instructions for the Canadian Active Service Force (Canada) be amended in accordance with the attached draft Order May 16, 1945, and marked Appendix "A".

(Sgd) A. D. P. Heeney,
Clerk of the Privy Council.

The Honourable
The Minister of National Defence.

P.C. 3593
(DRAFT ORDER)

This is Appendix "A" referred to in Submission to Council dated 16th May, 1945.

(For the approval of the Governor-General in Council)

Headquarters, Ottawa, 16th May, 1945.

FINANCIAL REGULATIONS AND INSTRUCTIONS FOR THE CANADIAN
ACTIVE SERVICE FORCE (CANADA)—AMENDMENT (No.)

Financial Regulations and Instructions for the Canadian Active Service Force (Canada) are amended as follows:

Article 72

Add new sub-para. "(d)" as follows:

"(d) Japanese Campaign Pay (Article 400)"

Article 183

Insert "Japanese Campaign Pay—Article 400"

Add new Part XVI as follows:

"PACIFIC THEATRE OF OPERATIONS"

Article 400

"JAPANESE CAMPAIGN PAY"

(1) A member of the Canadian Pacific Force shall upon date of departure from Canada and while serving in the Pacific theatre of operations and elsewhere beyond the territorial boundaries of Canada be granted extra pay as follows:

Officers of the rank of—	Daily Rate	
	Other than	C.W.A.C.
Major and above	\$1.00	.80
Captain .....	.90	.70
Lieutenant and 2nd/Lieutenant .....	.75	.60
Other Ranks		
Warrant Officer, Class I .....	.65	.50
Warrant Officer, Class II .....	.55	.45
Squadron, Battery or Company or Company	.50	.40
Quartermaster-Sergeant		
Staff Sergeant .....	.45	.35
Sergeant .....	.35	.30
Lance-Sergeant, Corporal and Lance-Corporal	.30	.25
Private Soldier		

(2) The above rates of extra pay shall be payable in addition to the regimental or special rate of pay, tradesmen's rates or any other extra pay to which a member of the Force is entitled under these regulations.

(3) The above rates of extra pay shall not be included in computing assignments of pay under Articles 88 and 88B of these regulations.
(Effective: 1st June, 1945)

H.Q.S. 9147 FD.2

H.Q. 54-27-5-4

Mr. BLACK: The next order in council is P.C. 105/238; dated January 23, 1946.

This order in council recognized the conditions with respect to kit and other possessions of the Canadian force which had been imprisoned at Hong Kong, and which by and large had suffered more in comparison with other Canadian forces, and in this order some special provision was made which varied from the normal. The arrangements were the same as those adopted by the British government. It included financial arrangements for the cashing of far eastern currency, including the Japanese yen, into dollars, and it included special compensation for loss of kit and effects, and particular expenditures and so on.

H.Q. 54-27-5-123 F.D. 2

P.C. 105/238

Certified to be a true copy of a Minute of a Meeting of the Treasury Board, approved by His Excellency the Governor General in Council, on the 23rd January, 1946.

National Defence

The Board had under consideration the following memorandum from the Honourable the Minister of National Defence:

"The undersigned has the honour to state that the Adjutant-General has reported that:—

- (a) 'C' Force was organized to consist of a Brigade Headquarters, two Infantry Battalions and certain Ancillary Troops requested by the British War Office to complete the British Force in occupation of Hong Kong in 1941.
- (b) When Hong Kong was overrun in 1941 by the Japanese and the British Forces surrendered, all members of 'C' Force were either killed or captured and from 1941 to 1945 were interned in prison camps.
- (c) 'C' Force was designed for use as garrison reinforcements, consequently the members of this force suffered greater losses of personal effects than those serving in other theatres during the present war as nearly all their belongings were confiscated upon the surrender of Hong Kong. Furthermore, pay and allowances forwarded to Officers of this force through the Protecting Power, The International Red Cross Society and other agencies were never received in full by such members and in certain cases were not received at all. These payments, however, were debited to the pay accounts of such officers which were maintained in Canada.
- (d) Owing to the poor quality of the food, clothing and other necessities provided Canadian Prisoners of War by the Japanese, it was necessary for officers of the Force to purchase food, clothing and other essentials through a black market at exorbitant prices and purchases thereon were debited to their individual accounts by the Paymaster, who was a British Army Officer.
- (e) Articles 778A and 778B of Financial Regulations and Instructions for the Canadian Active Service Force (Overseas) provide for the payment of compensation for loss of kit and personal effects incurred by officers. These regulations, however, are considered inadequate to deal with claims arising from the surrender of 'C' Force and, furthermore, do not cover claims from other ranks.

The Honourable
the Minister of National Defence.

- (f) The British practice being followed in connection with liberated prisoners of war rose from the Far East as regards pay adjustments, loss of personal effects, etc., is as follows:—
 - (i) Any deductions which have been made in the accounts of officers and protected other ranks in respect of pay presumed to have been received by them as Convention Payments from the Japanese authorities during captivity are being refunded.
 - (ii) No account is being taken of any pay or working pay which may have been issued to such personnel during their captivity nor will any account be taken of any credit balance claimed or certified to be due from the Japanese Government as the result of the receipt of such pay or working pay.

- (iii) Japanese issued currency in possession of returning personnel is being exchanged at the rate of 1 yen or 1 Siamese baht, or 1 Straits dollar, or 1 Malay dollar, or 1 Burma rupee, or 1 Indo-China piastre, or 1 Hong Kong dollar for 1s 7/8d up to a limit of £ 2.0s.0d. Any sum in excess of £2.0s.0d. is being withdrawn pending further instructions.
- (iv) Claim for compensation for loss of kit, effects left in prison camps, expenditures during escape, personal effects and currency lost as the result of occupation of territories by the enemy or due to confiscation by the enemy and other miscellaneous claims are being accepted and consideration given in each individual case.
- (g) It is proposed that similar provisions be made for liberated Canadian Prisoners of War and that the Adjutant-General be empowered to receive and adjust such claims and to make the necessary compensatory adjustments in pay accounts.

2. The Deputy Minister of National Defence concurs in the foregoing proposal and in order to give effect thereto recommends that an Order providing for the adjustment of such accounts and the delegation of certain powers to the Adjutant-General be authorized.

3. It is not possible to estimate the cost involved in this proposal.”
The Minister accordingly recommends,—

- (i) That any deductions which have been made in the accounts of officers and Protected Other Ranks of the Canadian Army who are liberated prisoners of war from the Far East, (hereinafter referred to as ‘liberated prisoners’) in respect of pay presumed to have been received by them as Convention Payments from the Japanese authorities during captivity, be refunded.
- (ii) That no account shall be taken of any pay or working pay which may have been issued to liberated prisoners during their captivity nor shall any account be taken of any credit balance claimed or certified to be due from the Japanese Government as the result of the receipt of such pay or working pay.
- (iii) That Japanese issued currency in the possession of liberated prisoners shall be exchanged at the rate of 1 yen or 1 Siamese baht, or 1 Straits dollar, or 1 Malay dollar or 1 Burma rupee, or 1 Indo-China piastre, or 1 Hong Kong dollar for 1s. 1 7/8d up to a limit of £2.0s.0d; any currency having an exchange value in excess of £2.0s.0d to be dealt with in accordance with current British practice.
- (iv) That the Adjutant-General be hereby empowered to receive and at his discretion to pay in whole or in part claims of liberated prisoners for loss of kit, effects left in prison camps, expenditures during escape, personal effects, currency losses and other miscellaneous claims arising from the occupation of territories by the enemy or from confiscation by the enemy, in accordance with British scale and practice.

The Board concur in the above report and recommendation, and submit the same for favorable consideration.

(Sgd.) A. D. P. Heeney,
Clerk of the Privy Council.

Mr. BLACK: The third order in council is P.C.1286, dated March 17, 1949. This order referred to the first one to which I made reference, and it had the net effect of including Hong Kong force in the Pacific force for the purpose of pay from the effective date for Pacific pay. That date was June 1, 1945.

I am informed by the Department of National Defence that all the Hong Kong veterans entitled to receive this additional Pacific pay were duly paid shortly thereafter. They were given priority.

From a number of cases which were reviewed recently, the period for such extra payment was found to run from June 1, 1945 until sometime in December of that year.

P.C. 1286

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 17 March 1949.

The Committee of the Privy Council have had before them a report dated 17th March, 1949, from the Minister of National Defence, stating as follows:

- (a) By Order in Council P.C. 3593 of the 17th May, 1945, (GO 181 of 1945) authority was granted for the payment of extra pay, known as "Japanese Campaign Pay", to members of the Canadian Army Pacific Force, to commence upon the date of departure from Canada.
- (b) These provisions were reproduced in Article 400 FR & 1 (Can) (effective 1 June, 1945), which reads in part as follows—"A member of the Canadian Army Pacific Force shall, upon date of departure from Canada and while serving in the Pacific Theatre of operations and elsewhere beyond the territorial boundaries of Canada, be granted extra pay, etc." Consequently, this pay was awarded to Canadian Army Pacific Force personnel who went to the United States for training prior to serving in the Pacific Theatre.
- (c) Members of the "C" Force (Hong Kong Expedition) who sailed from Canada in October 1941 to supplement the British Garrison in Hong Kong were not members of the Canadian Pacific Force under the provisions of the foregoing regulations and, consequently, were not entitled to such extra pay.
- (d) In view of the Hardships suffered by the surviving members of "C" Force while prisoners in the hands of the Japanese, following the fall of Hong Kong, sympathetic consideration has been given to representations in favour of extending Pacific Campaign rates of pay to members of the Hong Kong Expedition, in order that members of the "C" Force may receive the same benefits as members of the Canadian Pacific Force of 1945.
- (e) It is, therefore, desired to extend payment of Japanese Campaign Pay to members of the Hong Kong Expeditionary Force with effect 1st June, 1945, the date such pay was authorized by the above mentioned Order in Council.

The Committee, therefore, on the recommendation of the Minister of National Defence, advise that members of "C" Force (Hong Kong Expedition) who were prisoners of war in the hands of the Japanese Government on 1st June, 1945, be granted Japanese Campaign Pay at the rate and for the time authorized by Order in Council of 17th May, 1945, P.C. 3593, until two months after the return of such members to Canada.

Clerk of the Privy Council.

Mr. BLACK: On page 124 the representatives of the Hong Kong veterans made some reference to a verbal promise given to them with respect to their particular veterans benefits. I have been unable, through the Department of

National Defence or otherwise, to find any authority for any promises of benefits other than for those included in the veterans charter.

In the comment by the Hong Kong organization, reference is made to a booklet which they received. They called it "Where do we go from here"? I think the proper title was "Back to civil life".

All veterans received this booklet. It described in brief and simple terms the benefits available through the veterans charter. These benefits were the same for all veterans, depending on their service and on any disabilities they may have suffered.

I think that answers all the questions which we feel require comment at the present time.

Mr. HERRIDGE: May I ask one last question on this subject: why was this undertaken by the Department of National Defence when veterans are the responsibility of the Department of Veterans Affairs?

Mr. LALONDE: I shall have to answer that question, not from personal knowledge, but from what I have learned since I joined the department. I only joined in 1949, while this happened in 1945. I have been told that they were furnished with this booklet "Back to civil life" on their discharge. It was a sort of dual operation between the Department of National Defence represented by the three services, and the Department of Veterans Affairs which had been formed in 1944. There was liaison between the departments, so that the service men who were discharged from depots administered by the Department of National Defence, would, at that time, get all the information they would need with respect to their entitlement to benefits, and would not be asked unnecessarily to report to the Department of Veterans Affairs district offices which would only have meant an additional trip.

I understand that at that time there were people on the strength of the Department of National Defence who had had training with respect to veterans benefits. They were called army counsellors, air force counsellors, and I believe the navy had the same thing too. They were people who were advising prospective veterans as to what to do once they were out of uniform. That is why these hold-over veterans on their way back to Canada were looked after by Department of National Defence personnel, who gave them the information which they had received in turn from the Department of Veterans Affairs.

There is only one other point. I am afraid at the last meeting when you were discussing the veterans preference I attempted to trust my own memory in giving you the information. I only succeeded in thoroughly confusing the committee, I think, because when I read back the statement I had made, I found that it was very contradictory. So I went back to studying and I re-read the legislation.

I have only one excuse, which is that it was not the Veterans Affairs Act, it was the Civil Service Act. I found that I was both right and wrong in the explanations which I gave. I was right to this extent: that the statutory preference is given to two of the groups that I mentioned, and there may be special consideration given to the third group. I would like to straighten out the record with regard to the statement which I made.

The statutory preference is given to the veteran who is seeking employment in the civil service and it is granted to him under the Civil Service Act: section 2-G which states, in effect, that a veteran is a person who served in world War I on active service overseas or during World War II on active service outside its western hemisphere and who was honourably discharged therefrom. And section 2 (i) says that the widow of a veteran means the widow of a person who, being a veteran, died from causes arising during the service by virtue of which he became a veteran;

Section 10 of the Veterans Benefit Act of 1954 brings in under that definition veterans who served in a theatre of operation on the strength of the special force in Korea and also their widows.

There are two priorities of preference within that definition. The first priority is given to those who are in receipt of a disability pension by reason of their service.

The first priority is granted only once, provided the pensioner is considered as being rehabilitated.

The second preference is granted to qualified non-pensioned veterans with overseas service. You will notice that I say qualified veterans advisedly. Qualified veterans are entitled to this preference when they seek entrance into the civil service. In other words, they may have enjoyed it once, and have served for two years, and then gone out of the service, and then they want to come back in again. They are again entitled to class B preference.

The Civil Service Commission is required to prepare a list of eligible veterans who have qualified by examination for these positions. The disability pensioners are placed in the order of merit at the top of the list. If there are two disability pensioners both entitled to the A preference, and if one has 80 marks and the other 75 marks, then the one with the 80 marks is placed at the top of the list.

Those holding the B preference are placed in order of merit next on the list below the pensioners, if there are any. All others, and that means all other candidates, are placed in order of merit below those who have held the preference.

Now as to the third group, the one we were talking about the other day, who did not have service in World War II outside of the western hemisphere: those men, because they had military service, may be considered more desirable candidates for a position for which no qualified candidate possessing either of the first two preferences appears, and although such a candidate is not entitled to the statutory preference, nevertheless, special consideration may be given to him on the grounds of personal suitability.

Suitably qualified candidates with military service will receive special consideration. I must admit that this applies mostly to positions in the Department of Veterans Affairs where we are looking for veterans, wherever they may have served, to fill our positions in preference to persons without military service.

Perhaps for the information of the members Mr. Black can give you a pamphlet which I think is the best I have seen giving a resume of this business of the preference in the civil service. I do not think it need be put in the record.

Mr. McINTOSH: I am not quite clear concerning the veterans preference in respect of a man who is already in the civil service and who wishes to apply for a higher classification, say, in a different branch.

Mr. LALONDE: Once he is in the civil service he can only advance by being the successful candidate in a promotional competition. Whether that be a promotional competition within his department, or one open to a number or all the departments, it is still a promotional competition and the veterans preference does not apply there.

Mr. McINTOSH: If he has stated his veterans preference in a competition and is not successful, he can still use his veterans preference in applying a second time for some other position?

Mr. LALONDE: You mean if he was not successful on his first application to enter the civil service?

Mr. McINTOSH: Yes?

Mr. LALONDE: Yes. He can apply as a matter of fact until he is successful.

Mr. McINTOSH: There was a question asked by Mr. Rogers to which we did not get the correct answer. I think the committee was misinformed by the answer we received.

Mr. ROGERS: I have not yet received the answer. It was in connection with a letter I received where a civil servant had eight years' service and wanted to take out his superannuation and was informed he could not do it. I understand that after five years' service there is no hope of getting a cash settlement.

Mr. LALONDE: I should think that would be governed by the terms of the Superannuation Act.

Mr. ROGERS: I imagine it would.

Mr. LALONDE: I confess this is one act where I am not going to attempt to give you any interpretation. It is one of the most complicated acts with which we have to deal.

Mr. ROGERS: I am afraid the other day they gave us the wrong interpretation. They said they thought it was possible to do so. In speaking to others afterwards, I gained the impression that it is not. This person wants to go on war veterans allowance. This would amount to about \$30 a month and he would lose \$5 a month. The ceiling is \$140. So he would lose \$10 a month.

Mr. LALONDE: Perhaps we can answer the question because it relates to the War Veterans Allowance Act.

Assuming this veteran could secure payment of his superannuation—

Mr. ROGERS: Which is about \$1,100.

Mr. LALONDE: —in one lump sum, then that would be placed in the bank and would become assets. But he is married, so he would still be within the \$2,000 allowed. If he received it as a regular payment monthly, it would become monthly income and would have to be taken into account in assessing how much war veterans allowance could be paid him to keep him within the income ceiling.

Mr. ROGERS: He is under the impression he will only get \$90 a month. I cannot see that.

Mr. LALONDE: He is allowed to have \$145 a month, and the basic rate is \$120. If he gets \$30 a month he will receive \$115 in allowance which will give him the \$145 a month total income.

Mr. ROGERS: The question which was to be settled was could he take this cash settlement after working for eight years?

Mr. LALONDE: I would suggest that the only people who can really give you an answer to that are the people who handle superannuation under the Department of Finance.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): I think the answer is they can. I think any person who leaves the government service can have his contributions returned.

Mr. LALONDE: It is not thought of as a contribution. It is an annuity. I know that under the Superannuation Act after a certain time you are entitled to a deferred annuity. If you have not reached 60 you have to defer your annuity until you do reach 60 or are entitled to a return of contributions but I could not tell you under what conditions.

Mr. ROGERS: He is 65.

Mr. LALONDE: Then there cannot be any return of contributions. He is entitled to a pension because he is of pension age.

Mr. ROGERS: I think he has to take his \$30 a month.

Mr. LALONDE: That is what I suspect. But if he is married he gets \$25 a month added to the basic rate of the war veterans allowance.

Mr. WEICHEL: In the case of a fellow being disabled in the front line, he has the preference over the man disabled in Canada?

Mr. LALONDE: In effect, yes, because he comes within the definition of veteran, and may well personally be more suitable.

Mr. WEICHEL: Yes. The other case I am thinking of is supposing you had two men who served in France, one with one month's service and the other with five years' service; the one with five years' service might not receive the privilege but it might be considered in his marks.

Mr. LALONDE: If he was applying for a position in the Department of National Defence or the Department of Veterans Affairs it might have some effect on his personal suitability, but not on his veterans preference.

Mr. WEICHEL: Suppose they had pretty well the same marks and he might be picked because he had the greater service?

Mr. LALONDE: It would not have any effect if they had the same marks, but it might have an effect in determining the number of the marks.

Mr. McINTOSH: In Mr. Rogers' case, the veteran has reached the age 65, but we still do not have an answer to the question.

The VICE-CHAIRMAN: I think the answer was that you would have to consult with the people who know.

Mr. LALONDE: The trouble is we cannot give you an answer to the first premise. I do not know whether or not the man is entitled to a return of a contribution or an annuity or pension.

Mr. McINTOSH: I believe it is in the records, but I do not know in which copy.

Mr. ROGERS: It is not in the records at all.

Mr. LALONDE: I think the chairman of the war veterans allowance board replied to Mr. Rogers asking him to send him particulars. He was not thinking in terms of whether the man could get a contribution but rather if this veteran receives \$1,000 would he still be eligible for war veterans allowance, and he replied, yes.

Mr. ROGERS: My impression of the discussion was different from what you say.

Mr. LALONDE: It has not been printed yet, so it is a little bit difficult to know who is wrong and who is right.

Mr. BROOME: I wish to make one comment on the question of veterans preference. I consider that in many ways it is unjust. I refer particularly to men who were in the commonwealth air training scheme, air force personnel, who apply for jobs with the Department of Transport. I know of several cases where the man served, because he had to, in Canada. His qualifications are far above those of certain other candidates, but because of the veterans preference he goes in a second category and he has no hope of ever making the grade. There are, and rightfully so, considerations given to veterans with overseas service. The war veterans allowance is one.

However in this field of establishing yourself in civilian life, in respect of obtaining jobs, I think that there have been injustices done to volunteers who have given good service and served where they were told to serve and are now being discriminated against because of these regulations.

Mr. LALONDE: This is a matter of policy. I could not hazard an opinion.

Mr. BROOME: I just wanted to get that on the record.

Mr. LALONDE: Perhaps for the benefit of the members of the committee who were not here at the time—I know Mr. Herridge was—I may say I have been asking myself the same question why was this done that way at that time.

Mr. BROOME: Immediately after the war there might have been a reason with the flood of people, but I am speaking of present-day conditions.

Mr. LALONDE: The background is reported in Mr. Walter Woods' book. He was the deputy minister in 1944-1945. This is what he says:

While this application of the preference has been generally accepted by veterans as a whole as well as by the people of Canada, a number of suggestions have been made as to modifications or extensions of the present policy. One such suggestion has been that the preference should be extended to all persons who volunteered for service in the armed forces, irrespective of their field of service.

This proposal was placed before the special committee of parliament on veterans affairs (1945) but the consensus of opinion seems to have been that the desire of parliament and of the country was to express some measure of appreciation and gratitude to those men and women who actually risked their lives in the defence of their country and particularly to those who incurred disability in so doing. With this background in mind it was felt that an extension of the preference which would have the effect of increasing the competition which such "risk" and "combat" veterans would have to meet would not be desirable. It would constitute a dilution of the benefit provided to those to whom the country owed the most.

Likewise it was felt that a secondary preference to members of the force who had served only in Canada, would encounter difficulties in securing public support, on account of the fact that it would virtually exclude from employment in the public service a large number of other workers, many of whom had applied for enlistment and had been rejected on medical grounds; those who were engaged in munition work; those who because of the importance of their work were frozen in their jobs by selective service, and so forth.

Mr. BEECH: When the blind people were before us there was some discussion about Captain Woodcock having received a letter about a certain pensioner. I think it was referred back to Mr. Mutch.

The VICE-CHAIRMAN: Was that not arranged between Mr. Mutch and Mr. Woodcock?

Mr. BEECH: I believe Mr. Woodcock thought the record would look bad and would indicate he was neglectful. Apparently it was the wrong letter which was being discussed.

The VICE-CHAIRMAN: I do not think we can do anything about that, Mr. Beech, unless you want to look that up and take it up with Mr. Mutch.

Mr. BEECH: I do not know whether anything has been said.

Mr. LALONDE: That could be brought up on Monday.

Mr. HERRIDGE: Could not Mr. Beech do that on Monday by correcting the record, the same as the deputy minister did?

Mr. O'LEARY: May I ask one simple question, Mr. Chairman? Perhaps it has been answered already. Does the percentage of pensionable disability affect the degree of preference?

Mr. LALONDE: No, sir.

Mr. STEWART: Only as far as it affects his suitability?

Mr. LALONDE: Yes, but not the veterans preference.

Mr. MACDONALD (*Kings*): Mr. Chairman, may we take up further questions on veterans preference at the next meeting? Many of us had questions which were not asked due to the time.

The VICE-CHAIRMAN: We are leaving item 1 open, if there is some question that comes up at the end.

Mr. LALONDE: There is a resolution in the Legion brief which gave rise to this discussion. It says, "No change be made in the present veterans preference". So it will be discussed on Monday.

The VICE-CHAIRMAN: On Monday we will finish that. Thank you, gentlemen. We will meet again next Monday at 3.30 p.m.

The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

Estimates 1959-60 of the Department of Veterans Affairs

MONDAY, APRIL 20, 1959

WITNESSES:

Mr. Herbert R. Magill, Secretary-Treasurer; Captain Thomas Kendall, Corps of Canadian (Overseas) Fire Fighters; Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs; Mr. G. H. Parliament, Director-General, Veterans Welfare Services; Mr. D. M. Thompson, Director, Service Bureau, Canadian Legion.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

STANDING COMMITTEE ON VETERANS AFFAIRS

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Vice-Chairman: G. W. Montgomery, Esq.,
and Messrs.

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Broome	Macdonald (<i>Kings</i>)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

House of Commons, Room 112-N.

MONDAY, April 20, 1959.

The Standing Committee on Veterans Affairs met at 3:30 o'clock p.m. The Vice-Chairman, Mr. Gage W. Montgomery, presided.

Members present: Messrs. Badanai, Benidickson, Broome, Carter, Clancy, Fane, Forgie, Herridge, Jung, Kennedy, Lennard, Macdonald (*Kings*), MacRae, Matthews, McIntosh, McWilliam, Montgomery, O'Leary, Peters, Robinson, Rogers, Speakman, Stearns, Stewart.

In attendance: From the Department of Veterans Affairs: Honourable A. J. Brooks, Minister of Veterans Affairs; Mr. Lucien Lalonde, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister; Mr. G. H. Parliament, Director General, Veterans Welfare Services; Mr. C. F. Black, Secretary of the Department; Mr. J. G. Bowland, Research Adviser.

From the Canadian Pension Commission: Mr. T. D. Anderson, Chairman.

From the Canadian Legion: Mr. D. M. Thompson, Director, Service Bureau; Mr. M. MacFarlane, Mr. Bert Hanmer, Service Officers.

From the Corps of Canadian (Overseas) Fire Fighters: Mr. Herbert R. Magill, Secretary-Treasurer; Captain Thomas Kendall, Executive Officer; Mr. Martin S. Hurst, Deputy Fire Marshal of Ontario; Chief Maynard Dolman, M.B.E., Ottawa Fire Department; Lieutenant Commander W. J. Simpkin, R.C.N.; Mr. E. Robinson and Mr. E. Hache, representatives of the Ontario Federation of Fire Fighters; Chief L. MacRostie, Trustee, International Association of Fire Fighters.

At the opening of the proceedings Mr. Parliament asked to make a correction in the statement appearing on page 66 of the record dealing with Canteen Funds.

The Vice-Chairman then invited the Minister to address the Committee and welcome the delegation from the Corps of Canadian (Overseas) Fire Fighters. Mr. Brooks spoke briefly and greeted the members of the delegation.

Mr. Herbert R. Magill, Secretary-Treasurer, Corps of Canadian (Overseas) Fire Fighters, was called. He explained that the President, Mr. Richard Hake was unable to attend due to illness. Mr. Magill was accompanied by Captain Thomas Kendall, Past President of Branch No. 377.

Mr. Magill introduced the members of the delegation and he proceeded to read the brief addressed to the Committee. Mr. Kendall followed Mr. Magill on the stand.

At the conclusion of the presentation of the brief, questions were directed to Mr. Magill and Captain Kendall.

Following the discussion of the brief, the Chairman read telegrams and letters from the following, which were addressed to Mr. Walter Dinsdale, Chairman of the Committee:

Wire from the Toronto Fire Fighters War Veterans Association.

Wire from the Canadian Council War Veterans Association.

Letter from The Provincial Federation of Ontario Professional Fire Fighters.

Letter from the International Association of Fire Fighters.

The committee then resumed and concluded consideration of the brief presented by the Canadian Legion. Mr. D. M. Thompson was called and questioned.

Mr. Lucien Lalonde answered some specific questions.

At 5:40 o'clock p.m. the Committee adjourned to the call of the Chair.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

MONDAY, April 20, 1959.

The VICE-CHAIRMAN (*Mr. Montgomery*): Gentlemen, we will come to order. We now have a quorum.

The first item on the agenda today is a short statement by Mr. Parliament who wishes to make a correction.

Mr. G. H. PARLIAMENT (*Director-General, Veterans Welfare Services, Department of Veterans Affairs*): Mr. Chairman, on page 66 of the record, when we were talking about canteen funds, I am reported in part as follows:

Ontario has a fairly large amount for World War I. It happens to be over \$500,000.00.

This figure was given from memory and was based on reports which were not up to date. In fairness to the Ontario canteen fund, who are doing an extremely fine job on behalf of World War I veterans, I would like to place on record the proper figure as of March 31, 1959. The amount in the fund is around \$400,000.

The VICE-CHAIRMAN: Thank you Mr. Parliament. Gentlemen, we have with us today the Corps of Canadian (Overseas) Fire Fighters. We also have the minister with us. I am going to call upon the minister and ask him if he would be good enough to welcome these gentlemen, and then we will hear from Mr. Magill, who will introduce the gentlemen who are here with him.

Hon. A. J. BROOKS (*Minister of Veterans Affairs*): Mr. Chairman and gentlemen, it is a pleasure for me to welcome the corps of firefighters. I might say they are no strangers to me. I see some here whom I have met in days gone by when they presented their case to the committee.

It is now a good many years since the war ended. In fact if I remember correctly it is seventeen years since this corps was organized in March, 1942, and it is fourteen years since the war ended.

This group has been before our committee on quite a number of occasions. I am quite familiar with your problems and your requests; they are somewhat different from the other requests which we have heard at different times from other organizations, perhaps with the exception of the merchant seamen and the ferry command. You have always been quite reasonable in your requests and I think they have received careful study from the committees before whom you have presented them.

I want to assure you, gentlemen, we are very pleased indeed to have you back again with us today. I know your brief will be listened to and given careful consideration by the members of this committee.

As I said, I am pleased to see some of my old friends here. I am sorry Mr. Hake, who came here on several occasions, is not here today. I understand his health is not good. I wish you, Mr. Magill, would convey to him our very best wishes.

The VICE-CHAIRMAN: Gentlemen I will now introduce to you Mr. Herbert Magill, who is going to present his brief. He will either read it or comment on it, whichever he wishes. I would ask him to introduce the comrades with him today.

Mr. McINTOSH: I notice in paragraph 8 of the submission it says:

The veterans affairs committee at Ottawa three times voted to grant the Corps of Canadian Fire Fighters all benefits accruing to the armed forces.

If that has been done three times previously is there anything more the committee can do? Also I would ask the minister why it was not granted.

Mr. BROOKS: Mr. Chairman, I think there should be a study made of this brief. I am asked why the request was not formerly granted. It was not granted because parliament did not decide to grant it. That is the reason. I think, without going into the particulars of the present brief now, you had better consider the whole brief and not pick out few of the lines of it and ask for a decision on the whole brief.

Mr. McINTOSH: I wonder if we have any more power than the previous committee?

Mr. BROOKS: It is your privilege to study the brief as presented before you.

Mr. HERBERT R. MAGILL (*Secretary Treasurer, Corps of Canadian (Overseas) Fire-fighters*): Mr. Chairman, honourable Mr. Brooks and gentlemen, on behalf of the members of the Corps of Canadian (Overseas) Fire-fighters, I welcome this opportunity to thank you for allowing us to appear before this committee for the third time.

Our president, Mr. Richard Hake, who was second in command of our corps overseas, and a World War II veteran, regretfully is unable to attend, due to illness. However, we have with us Captain Thomas Kendall, past president of Legion Branch No. 377, to help us present our submission.

We also have with us Mr. Martin S. Hurst, deputy fire marshal of Ontario, Chief Maynard Dolman, MBE., Chief, Ottawa Fire Department, and Lieutenant Commander W. J. Simpkin, R.C.N. These gentlemen were all corps overseas officers.

Also appearing with us are Mr. Edward Robinson and Mr. Ernest Hache, Vice-Presidents of the Provincial Federation of Professional Fire Fighters of Ontario. Mr. Lorne McRostie, trustee, International Association of Fire Fighters and last, but not least, Mr. Donald Thompson, director, Dominion Canadian Service Bureau, Canadian Legion and Mr. MacFarlane and Mr. Hammer, service officers of the dominion command of the Legion.

Before I present our brief, we have a little booklet here which we were pleased to receive. Our wives received this in the mail thinking we were fully covered, but in reading it over we found that we were not entitled to all benefits. We do not know why we received it if we were not intended to receive all the benefits.

The VICE-CHAIRMAN: Would you mention the name of the booklet.

Mr. MAGILL: It is "Back to Civil Life", which was distributed by the late honourable Mr. Mackenzie, listing the pensions accruing to the armed forces.

Before we deal with our submission, there is another matter which we must again put before this committee, namely, the granting of the award of the Canadian Volunteer Service Medal. This committee especially recommended that we receive this award the last time we came before you, but the government of that time did not see fit to grant us this honour.

As we were preparing to leave England to return to Canada in 1945, many of us were handed the Canadian Volunteer Service Medal ribbon to wear on our uniforms by quartermaster at the NEDT depot. When we got home we were advised that due to a slip-up we were not entitled to wear it, but that in no time at all it would be rectified.

Several of our members have run into grief by not being allowed to wear this medal. One Ottawa man, George Lefebvre, was unable to hold a job here in Ottawa due to his not having this award. He moved to the Toronto area and is now working steadily.

Another gentleman, a man who I believe lied about his age to enlist with us, was hired as a plant fireman. One night, on a street car with his wife, while returning from work in uniform, he was accosted by a young soldier who criticized our member for only wearing the defence ribbon and war medal ribbon. This man was so embarrassed he got off the street car. I know you fellows do not want us to be continually embarrassed like that.

Another case was when one of our boys, a man fully trained as a firefighter, lost out for a position as a firefighter to a person who was an auxiliary supervisor, and hence was eligible for this award.

Many of our members would like to be in this militia. They are wanted there as firefighters; but as they are not eligible for this award they are not joining. Professional firefighters spend half of their time in uniform. We parade in the warriors day parade. It is most embarrassing not to be allowed this medal.

The late Chief Huff, OBE., MM, the man responsible for the good work of the corps overseas, a man who was asked to leave the R.C.A.F. as a lieutenant, wore this ribbon with maple leaf until he found out he was not eligible. He never until his dying day forgave the government for their error. He always thought that justice would triumph and we would receive the award of the Canadian Volunteer Service medal. We sincerely pray that you gentlemen in all fairness will again see your way clear to recommend to the government that we receive this award.

I would now like to present a few reasons for being made eligible to receive all benefits accruing to the armed forces as recommended twice by the veterans affairs committee, after which Captain Kendall will present our brief. We will then be very pleased to attempt to answer any and all queries to the best of our ability.

Our terms of engagement, rates of pay, discipline and attestment oath were the same as the armed forces. We volunteered the second time to accompany the armed forces anywhere and for as long as desired. We could not resign.

There have been statements made to the effect that we did not volunteer for service anywhere but in Britain. However there is an order in council which came out giving us permission to volunteer for any battlefield anywhere in the world. It is order in council 4186, dated June, 1944. However, only 100 men were chosen and it was with great reluctance even they were disbanded in time as they were not fully needed.

Our risks were very high, due to our work coming during enemy action when we were compelled to remain in the open. Even the forces were told to take cover if at all possible. When we enlisted, more English firemen than soldiers had been killed by enemy action. Fortunately, we had only three members killed but many were injured. If we had joined the other forces, we would in all probability have been used as firemen and remained in Canada with as high or higher rates of pay.

During the loading of munition ships for the second front, we were used as firemen on board these ships. The risk was so high that the civilians who were loading them demanded and received high-risk bonus money.

It cost the American army \$20,000 to train each fireman for their forces. Our professional firemen in the corps trained the others and received only their army rates of pay. One month after enlisting, we were on duty in England, at the ports from which the invasion started.

Major General LaFleche made statements (affidavits on file at Ottawa) to the effect that we would receive any benefits which might accrue to the armed forces. Members of all political parties have told us that they heard these remarks the evening we put on a demonstration at parliament hill just before we left for England. General LaFleche made these statements on various occasions—the last time he was the Minister of National War Services and it was to the last group who were going overseas. Some members of parliament say that he had no right to make these statements. If we cannot believe a member of the government of Canada, whom can we believe?

Certain opposition to our requests say that no civilian group can hope to obtain all benefits. By order in council, PC 3228, of May 1945, the auxiliary supervisors are classed as civilians in the same category as the Corps of Canadian Fire Fighters are in PC 3229 same date. Why then have these men, men who did a good job at officer's rates of pay, better privileges, being treated as honorary officers, less risk and could resign if they desired, now receiving all the benefits with the exception of total income tax exemption? (They paid tax on 80 per cent of their earning, I believe). I believe these gentlemen got 80 per cent of their salary in this case, but I am not certain about it.

The auxiliary supervisors, even though civilians, are wearing the ribbon of the Canadian volunteer service medal. When we ask why we cannot wear it, we are told that no civilians can become eligible. This does not add up. It is decidedly unfair.

The government graciously changed the regulations pertaining to the award of the Memorial Cross to cover the dependents of the personnel who were killed on active service in our corps. We are requesting the regulations pertaining to the Canadian volunteer service medal be changed so that we can become eligible for this award the same as the civilian auxiliary supervisors.

We have appeared before the Canadian Legion, the Canadian corps, the blind, the paraplegics, the labour groups, the women's liberal associations and many other organizations. All these worthy groups have supported our just requests along with the Veterans Affairs Committee, who have three times recommended that we receive all benefits. Now, if Mr. Kendall would read the brief, then if there are any questions after that, we would be only too pleased to answer them.

The VICE-CHAIRMAN: Now, Mr. Kendall.

MR. THOMAS H. KENDALL (*Member of the executive, the Corps of Canadian (Overseas) Fire Fighters*): Mr. Chairman, Mr. Minister and members of the Veterans Affairs Committee; as an elected representative of the Corps of Canadian (Overseas) Fire Fighters for the whole of Canada, I have great pleasure in presenting this brief to you for your consideration. Incidentally this is the same brief as was presented to you some time ago, with the exception of the front page which has been added comparatively decently. I mean by that, that we have had from the Department of Veterans Affairs, dated March 17, a document containing what we have in our corps at the present time been granted by the government.

I shall read the appendix now as our brief.

THE CORPS OF CANADIAN (OVERSEAS) FIRE FIGHTERS

When the dominion government published the acts granting war gratuities, rehabilitation grants, post-war credits, and all the legislation covering armed forces rehabilitation, members of the Canadian Corps of Fire Fighters in Great Britain took it for granted that they too would be included in all such benefits. Very soon, however, it was learned that we had been completely over-looked, and absolutely nothing had been planned for our future. It was with extreme

disappointment, and grave concern, that the firefighters received the news that we had been completely ignored; and we felt that we had every right to feel such bitter disappointment.

Had we not every right to expect such treatment and benefits in post war days as men of the other services? Certainly we expressed our willingness to accept such treatment for the duration of the war when we volunteered, first: to go to the United Kingdom and aid in the defence of Britain, and secondly: in the spring of 1944, to go anywhere on any battlefield to assist the liberation armies. We volunteered to do a job as necessary and as hazardous as any service. There never could have been an offensive without a defensive. The Canadian Corps of Fire Fighters were a part of that defence, in the cities considered the most important in Britain to defend, for it was from there our offensive began.

In volunteering to do the job we were best equipped for, men from Canadian fire departments answered the call of the dominion government, and accepted the dominion government's terms without question, just as volunteers in any other service. We offered our lives if necessary, our limbs and our health. Our term of duty was for the war's duration or as long as required, just as the armed forces. We accepted comparable ranks and pay; the same allowances for our wives and families; we received the same treatment insofar as medical examinations, medical care, pensions, discipline, clothing, feeding, travel, respect, right down to the smaller items such as carrying Canadian army cards photographed and finger-printed by the Canadian army, and receiving similar discharge certificates on discharge.

Throughout our service, we accepted all the bitterness of war, along with the other services; in peace time we were to be completely ignored and denied the benefits received by those other services.

Why had we been denied such rights and privileges?

Why had we been overlooked or ignored?

These were the questions we all asked, asked of every individual who might have had an answer. But there were no real answers. Everyone agreed that we should receive all the good, as willingly as we had accepted the bad.

The dominion government's denial of fairness and justice to the firefighters, not only evoked bitter disappointment in us, but also the firmness of mind to work and to fight, until our post war lot is on a completely equal footing with that of the armed forces; until we too receive the recognition we honestly believe we earned when we left our homes, our wives and families, our jobs, and the safety of peace and plenty in Canada, and accepted the heartaches, the loneliness and all the hazards and bitterness of war.

With that determination of purpose for justice and fairness, the members of the Canadian Corps of Fire Fighters began to organize in Great Britain. The Canadian Legion were contacted and immediately went to work for us. Our corps headquarters in London did likewise, and we formed our own Committee and collected contributions from our members to assist. But at that time all our own efforts had to be confined to enquiries.

Our first attempts at gaining satisfaction were made in Ottawa by a firefighter returned to Canada on medical grounds. He had the sanction of the firefighters overseas to represent us in attempting to gather all the information possible for our enlightenment. No concrete satisfaction was gained, but various opinions were all in our favour.

After the first suggestion by the dominion government that the corps be repatriated, Britain's home office requested we be retained for further eventualities, and clearly indicated the high regard which they had for the efficiency and competence of the Canadians.

In October, 1944 it was finally decided to return personnel to Canada for discharge. When these drafts of men began arriving in Ottawa early in

1945, various and numerous enquiries were made; but it was intimated by our headquarters in Ottawa that our rehabilitation program was being taken care of, and that the prospects of satisfaction seemed excellent. There was still no concrete information available.

On arrival of corps members in our various home towns—discharged—we were free to contact members of parliament and any person or persons who may be able to assist or advise us in our fight. And although it was felt, and still is, that the necessity to fight for justice to corps members was contrary to our sense of fairness, fight we must, to gain the recognition we have earned.

Isolated efforts were made in various cities across Canada. The information and advice obtained was passed from individual to individual until a co-ordinated program and committee were set up. Many Legion branches and provincial Canadian Legion conventions and other concerned organizations across Canada, passed resolutions requesting the dominion government to recognize the Canadian Corps of Fire Fighters just as they did the other services. Public opinion has been strongly with us: but we have not made it a public issue as yet.

Information garnered from members of parliament, and ministers, during and just after the final session of the recent government, led ex-members of the corps to believe that we were to be treated on practically the same basis as the other forces. It was, therefore, with further extreme disappointment that we received order in council P.C. 3229. P.C. 3229 does not grant the firefighters nearly the rehabilitation terms of the other forces.

Mr. BENEDICKSON: If you please, Mr. Chairman, may I ask what is the date of that order in council?

Mr. KENDALL: I believe it was May, 1945. This, added to the fact that members have not been issued with discharge buttons, or authorized to wear any ribbons, or any evidence of service, added weight to the need of our determination to carry on our fight.

An especially designed discharge button for the firefighters was later received by ex-members of the corps in July, 1945, in some cases six months after discharge. This, however, does not give us complete recognition or satisfaction, although it is a step in that direction.

We are convinced that our service merited Canada's complete satisfaction in her firefighters. In attempting to do more than was first asked of us, and to do as complete a job as possible for Canada's war effort, we further offered our services anywhere in the world, on any battle front. One hundred men spent four and a half months taking specialized training to go to the continent with the invasion forces. We were attached to the British 21st army, with their army personnel as liaison officers. We expected to cross the channel daily, but our chance never came, and it was with keen disappointment and regret that our overseas contingent was finally disbanded before we could go farther and do more.

Could we have done more or tried harder to complete all the service possible for Canada in her fight for freedom? Why, therefore, should we not expect Canada's treatment of us to be just as complete? Why should Canada deny us the rights and privileges they have offered other services?

It has been suggested that possibly the word "civilian" in our title has been responsible for the half measures adopted in our post war recognition and rehabilitation. The word "civilian" was detested by all ranks, but we weren't concerned over a name; our job was deemed far more important than any word. The word "civilian" did not reduce our term of service, or sense of duty. It did not increase our pay or eliminate German bombings, or machine gun strafing, or any of the discipline, the bitterness, or the hazards of war. Now it seems just a handy word to use to deny us our post war benefits.

It has also been suggested that the firefighter does not need total rehabilitation benefits as he never has been completely separated from his occupation. There were thousands of men in all services in Canada and abroad, who likewise continued at their trades and professions. This has added to the competence of all services. It enabled the Canadian government to send an efficient body of firefighters to England without months of delay spent in training.

Even though ours was a small corps, it was necessary to maintain a headquarters staff in Canada. The men chosen for this job were forced to remain at their desks—against their own will, I might add. Now it appears that they have been left out of all benefits, with the exception of discharge badges. This, to our democratic mind, is decidedly unfair.

We have been led to believe that one of the reasons that we have been left out of so many benefits is that our corps consisted of all professional firemen. This is indeed a fallacy. We would not be far out in venturing a guess that at least 35 per cent do not come under said class. It is true that some of these members have been readily absorbed in Canadian fire departments, but their positions are rather doubtful as many municipalities have passed laws saying that only veterans may hold civil positions permanently, and as yet we are not classed as veterans. Is it any wonder these members feel rather bitter? A small number of our members were students who spent their leisure time taking legion courses in the hope that if they worked hard they would benefit by the splendid benefits of the rehabilitation plan for vocational training. They have since learned that such is not the case.

Another reason for our exclusion, we have been told, is that we did not carry arms. We are of the opinion that our hose, branches and equipment should be classed as "arms". True, they would not kill the enemy but they were successful in "killing" his efforts to burn the British isles. It once appeared in the Canadian papers that we might be issued with Bren guns for our trucks—I believe this was after some of our boys had been strafed by a German plane. Our members were eager for the day when this might happen but nothing came of it, and we were disappointed. Surely no one would deny that incendiaries and flamethrowers are valuable weapons of modern war? Then why should they say the firefighter, with his equipment, is not "armed"?

Although we were not separated from our profession, we were completely separated from our homes, our families, and our country, doing our job at the request of the British government to our Government. Can it be possible anyone could suggest that we do not need, or have not earned, the same respect and benefits the dominion government have granted other volunteers, and other personnel who have seen active service in her forces?

Because of our completed job, because of our services and our sacrifices for Canada, we, the ex-members of the Canadian Corps of Fire Fighters, are requesting that the dominion government inaugurate legislation granting us recognition as the fourth branch of the services—the term used by such officials as General LaFleche and the Right Hon. Vincent Massey in reference to us—complete with all rights and privileges, now, and in future legislation, concerning Canada's war veterans.

That, gentlemen, is the termination of the brief and I would like, for your edification, to read out a list received from Mr. Black, departmental secretary, Department of Veterans Affairs, dated March 17, 1959. This is a list of the rights and privileges granted to the overseas firefighters.

No. 1. Pension for disability or death on the same basis as veterans, including the insurance principle, and the Civilian War Pensions and Allowances Act.

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No. 2. Treatment when necessary is provided for pensionable disability as authorized in 1, including treatment allowances.

No. 3. A clothing allowance on discharge, as for veterans.

No. 4. A rehabilitation—

Mr. BENEDICKSON: Would you speak a little more slowly, please?

Mr. KENDALL:

No. 2. Treatment when necessary is provided for pensionable disability as authorized in 1, including treatment allowances.

No. 3. A clothing allowance on discharge, as for veterans.

No. 4. A rehabilitation grant of one month's pay and allowances, as for veterans.

No. 5. A gratuity of \$15 for every thirty days of overseas service.

No. 6. Vocational or technical training as provided under the Veterans Rehabilitation Act, with allowances as for veterans.

No. 7. Eligibility to contract for veterans insurance.

I believe that is a comparatively new one, gentlemen.

No. 8. If a pensioner, the benefits provided by the Veterans' Land Act.

This is of March 17, 1959: but on three occasions I, as a pensioner, have appealed to 21 Lombard street for this particular grant, and they told me I was not eligible. But here we have it from the Department of Veterans Affairs that we are. I shall immediately, upon going back to Toronto, again endeavour to try 21 Lombard street.

Mr. BROOKS: There is no question about that. That is some clerk's mistake.

Mr. KENDALL: Thank you.

No. 9. Benefits under the Reinstatement in Civil Employment Act.

No. 10. Benefits under the Unemployment Assistance Act, as for veterans.

No. 11. Income tax exemption in respect of total overseas service pay and allowances.

No. 12. Eligibility for the Defence Medal, if sufficient qualifying service.

No. 13. Eligibility for the War Medal 1939-45, if sufficient qualifying service.

I would like to thank you, Mr. Chairman and gentlemen, for hearing us, and we trust that when our brief comes before you for deliberation you will think kindly of our service to Canada. Thank you, gentlemen.

The VICE-CHAIRMAN: Thank you, Mr. Magill and Mr. Kendall. Gentlemen, are there any questions you would like to ask?

Mr. HERRIDGE: Mr. Chairman, I would like to ask the witness to just outline in brief the particular benefits not received at the present time, and that they wish to obtain. I think that would clear things up in the minds of the members of the committee.

Mr. MAGILL: We wish to obtain all benefits. Even though we cannot use them, we would like to have them, to be classed as equal with the other armed forces.

Mr. BENEDICKSON: Under present legislation?

Mr. MAGILL: Yes.

Mr. BENEDICKSON: Would that be predicated upon an amendment to the Act which establishes the eligibility for the War Services Medal, the volunteer medal?

Mr. MAGILL: I do not know if I can answer that, sir.

Mr. HERRIDGE: Could the witness give us a list of the particular benefits?

Mr. MAGILL: We figure that if we are made the same as the armed services, that medal would be included. I think that is the answer you want, sir.

Mr. LENNARD: As far as this medal is concerned, the main point as brought out here is that the auxiliary supervisors were granted this medal, and they were civilians; the Canadian Overseas Fire Fighters were not, and they are in the same category.

Mr. MAGILL: That is right.

Mr. LENNARD: That is the argument in a nut-shell?

Mr. MAGILL: Yes, it is.

Mr. LENNARD: As far as that particular item is concerned, I certainly think they should be treated just the same as the auxiliary supervisors.

Mr. BENEDICKSON: Has Mr. Magill finished his answer to Mr. Herridge? I think that is very pertinent.

Mr. MAGILL: The gentleman here spoke about the pensioners insurance act. There is a fallacy here. We had that normally from the start. I took it out in 1946 or so myself. We have had the Veterans Insurance Act.

It has got around that we have one thing, and we have not got it. That is in regard to these allowances including dependent allowance and subsistence allowance for standard rates of pay for every six months service overseas. That is part 3 of the War Service Grants Act. I believe the story got out that we were entitled to have that, but we never received it. We are not entitled to it.

Secondly, reestablishment credit, which is the equal of the sum of numbers 1 and 2 of the gratuities, which may be used for certain benefits. I do not believe we are entitled to out-of-work benefits. We are not entitled to "temporarily incapacitated". Farmers and others awaiting returns—we are not entitled to that benefit. We have—

Mr. CARTER: These benefits do not exist any longer, do they?

Mr. MAGILL: But they were the benefits for which he asked. I do not know how to answer that question.

Then there are educational benefits. We have some widows now—about one or two, I think—whose husbands have died in recent years, and they figure that through this Act they could be helped in putting their children through university or school. I do not know whether they could or not, whether that is in that part of the Act or not. If we got it, that might be; I do not know. Post graduate courses, preference in employment, Civil Service Act, War Veterans Allowance Act, Dependents' Board of Trustees. I do not know what some of these mean, gentlemen. You do. But these are things we are not entitled to that the other forces got.

Also the land act, which we did not get, although we are pensionable. This other gentleman did not get it; but I think that was a mistake in the department and was a clerk's error, because other fellows in the corps have taken advantage of it.

Mr. HERRIDGE: Would it be correct to say that at this time we are primarily concerned with obtaining recognition in respect of the volunteer medal, the same as the other branches of the forces; secondly, being eligible for war veterans allowance; and thirdly, being eligible to apply for loans under the Veterans Land Act, and educational grants?

Mr. MAGILL: This is a rather hard question to answer. We are sent down here by the complete organization; one fellow wants one thing and another wants another thing. I do not think I am qualified to answer that.

We will take what we get, but we are here to try to get equal recognition with the armed services, which would give us all those things, if they are still eligible at the present time.

Mr. BENEDICKSON: Mr. Chairman, I wonder if it would be appropriate at this point to get the assistance of the deputy minister to pinpoint the things that are available to veterans, who receive the medal in dispute, and if he would indicate the things that are denied to the corps of Canadian Firefighters. Secondly, would Mr. Lalonde perhaps indicate what things are available for the auxiliary services and other so-called civilian groups that are denied the Canadian Corps of Firefighters.

Mr. KENDALL: May I say something, Mr. Chairman?

The VICE-CHAIRMAN: Yes.

Mr. KENDALL: In regard to all these things that we can have, I would like to point out to the gentlemen that many of them by their years have outlived their usefulness. Actually I think the cost for some of these things at the present time, after 17 years, as determined by the minister, would be such that they have outlived their usefulness. Actually their cost would be insignificant.

Mr. SPEAKMAN: Mr. Chairman, actually I believe what the Canadian Corps of Overseas Firefighters are asking for is the status of veterans. That is, in its simplicity, what they are asking for—to be recognized as veterans within the full meaning of the word.

Mr. HERRIDGE: Have you any figures as to the total number of men who would be eligible at the present time?

Mr. MAGILL: No; that would be most difficult. There were 335 came home with us when we left England, and my records show possibly 20 or 25 of those have died. It would be very hard. I do not think anybody could really give those figures.

Mr. HERRIDGE: It would be something less than 300?

Mr. MAGILL: Oh, yes, it would be less than 300.

Mr. ROGERS: Mr. Chairman, what was the original complement?

Mr. MAGILL: There were 422 men enlisted in the corps. There were 408 went overseas. There were 3 killed overseas, 11 wounded and many others seriously wounded.

Mr. BENEDICKSON: How many did not get overseas at all?

Mr. MAGILL: That is a rather debatable point. I wish you had not asked that question, because I am not sure of the answer. But I would say there were three who did not get overseas. There was one gentleman who tried very hard. He did everything to get there, but he did not make it. There were three, according to my senior officer here.

Mr. FANE: Mr. Chairman, was there any good reason why these people were not considered in the same light as volunteer soldiers?

The VICE-CHAIRMAN: I presume you are directing your question to me, Mr. Fane. I do not know, but there is somebody here who can probably answer that question. Could you answer that question, Colonel Lalonde? Would you repeat your question, Mr. Fane.

Mr. FANE: I was just asking, Mr. Chairman, why these people when they enlisted were not considered in the same light as volunteers for any other service?

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): The only reason I can give you, Mr. Fane, is the result of a study of what happened at that time. I cannot tell you why; I can tell you what happened.

Mr. FANE: Yes.

Mr. LALONDE: As you will realize, I was not there at the time.

Mr. FANE: I know.

Mr. LALONDE: I am not qualified to speak about the reasons behind policy making.

Mr. FANE: I understand.

Mr. LALONDE: The year which actually gave birth to the corps of firefighters was an order in council passed on March 3, 1942, under the War Measures Act. It created the corps of civilian Canadian firefighters for service in the United Kingdom. It was created at that time under the Minister of National War Services.

The supervisors' status was created by an order in council under the Minister of National Defence. This was P.C. 44/1555 in 1944, and it created the supervisors' group as an adjunct to the armed forces. Do you want me to recite the three-page order in council? Mr. Benidickson, you were asking me if I could give you some of the benefits.

Mr. BENIDICKSON: We are told you have sent them a recent letter outlining the things that they do receive.

Mr. LALONDE: That is right, sir.

Mr. BENIDICKSON: I wonder if you could tell the committee the things that they did not receive, in comparison with an ordinary enlisted man?

Mr. ROGERS: At the present time?

Mr. BENIDICKSON: At the present time.

Mr. LALONDE: I will have to quote from memory. Do you mean those benefits that are still available?

Mr. BENIDICKSON: I have taken from your letter that you were pretty comprehensive in pointing out the benefits receivable; you indicated all benefits.

Mr. LALONDE: Not "receivable"—the benefits were received; there is a difference.

Mr. BENIDICKSON: Yes, I see. What I mean is that it included things that would not now be applied for.

Mr. LALONDE: Yes.

Mr. BENIDICKSON: Similarly, I wonder if you could indicate the things that they were denied, shall we say?

Mr. HERRIDGE: Would it make for clarity in the record and for the information of the members of the committee if Mr. Lalonde gave us a list of all the benefits the firefighters failed to receive, compared to other veterans; and then also gave us a list of the benefits that were no longer available?

The VICE-CHAIRMAN: Would you like some time to prepare a statement, Mr. Lalonde?

Mr. LALONDE: Would you give me a few minutes to prepare that, because I would hate to relate it from memory?

Mr. BENIDICKSON: We have had reference made in the brief to three recommendations of previous parliamentary committees urging that certain benefits be granted to the corps of firefighters. I readily recall the report of the committee in 1946 and in 1948; what was the third?

Mr. MAGILL: In 1948 we were advised to come down again, and you voted twice in that year. That is why some of that was struck out.

Mr. BENIDICKSON: It came up twice?

Mr. MAGILL: You voted twice in 1948.

Mr. MCINTOSH: Were the rates of pay to the corps the same as for other services?

Mr. KENDALL: They were comparative to other services.

Mr. McINTOSH: How many in the corps were injured and are now receiving pensions?

Mr. MAGILL: I would say twenty-five.

Mr. McINTOSH: And is there an equivalent to the corps of firefighters in any other armed services of the allies?

Mr. MAGILL: I do not believe so.

Mr. McINTOSH: In Great Britain?

Mr. MAGILL: I do not believe so. The original intention was to form a corps possibly of 2,000 firefighters. They claimed it was depriving the fire departments of their best men, and that is why it dropped off.

Mr. FORGIE: Where did the request come from?

Mr. MAGILL: We are led to believe the Honourable Ian Mackenzie was visiting England and was requested by the British government; he brought the request back here to the Canadian government.

Mr. MACRAE: I have one or two questions. What month and year was the corps actually recruited?

Mr. MAGILL: The order in council came out in March, 1942 and recruiting started immediately after that. There is a letter here explaining part of it. They had a little trouble getting the men to run the corps, and it took them some time to get a suitable fully trained officer. There is a letter here from the late Chief Huff, who was the chief of the Brantford fire department and who claimed more or less that he was forced to get his release from the air force after talking to General LaFleche. He did not wish to do it, but General LaFleche informed him that the Canadian firefighters were more urgently needed in England at that time than anything else, and if he did not take charge the corps would not be formed and he would be to blame.

Mr. MACRAE: Then would you say it was from March to July, 1942?

Mr. MAGILL: I would say March to August, 1942. We were overseas one month after we were in Ottawa.

Mr. MACRAE: What month and year did the corps actually go overseas?

Mr. MAGILL: June 13.

Mr. MACRAE: What year?

Mr. MAGILL: 1942.

Mr. MACRAE: And it returned when?

Mr. MAGILL: It started to return in February, 1945.

Mr. MACRAE: You mentioned October, 1944 in your brief; some started to return at that time.

Mr. MAGILL: I was talking about my own time.

Mr. MACRAE: And they were all home by when?

Mr. M. S. HURST (*Deputy Fire Marshal, Province of Ontario*): I would say the last persons were discharged late in 1945.

Mr. MACRAE: Of course, after the end of the war, and demobilized immediately on return?

Mr. HURST: Yes.

Mr. MACDONALD (*Kings*): I would like to ask Mr. Magill if his people were all trained firemen recruited from among the firefighting groups?

Mr. MAGILL: Thirty-three per cent were drawn from professional fire departments. The idea was that we could train the rest. We also had 33 per cent or 35 per cent who were volunteer firemen, receiving anywhere from \$50 or \$100 a year. Then there were the men who wanted to be firemen. They

were trying to get on these brigades, the permanent brigades and figured this was an opportunity to get into the fire service, as we were unable to take all the men in the big departments. In fact, some of our chiefs did not want any of us to go. Some of the boys got quite a going over when they decided to leave.

Mr. FANE: What uniform did you wear?

Mr. MAGILL: It was much similar to the uniform the fire department wear now. I believe it was of navy blue cloth. It was much like a navy uniform.

Mr. BENIDICKSON: On this point, the members will recall that it was brought into debate in the House of Commons on March 4 by virtue of a question that I asked the minister; and I am sure he would not mind having the committee minutes bringing up to date some subsequent correspondence which the minister and I have had in the most friendly way. I was not too sure of my ground when I asked the minister about the rights of the firefighters, when we were at that time considering the amendments to the War Service Grants Act. Subsequently, I drew to the minister's attention a summary, in so far as war service grants are concerned, of what the Corps of Canadian Overseas Fire Fighters have said in recent correspondence. If I could put it on the record, I think it would summarize the position.

Mr. Magill says there are four parts to the War Service Grants Act, and they are as follows:

1. \$7.50 for every 30 days service in the western hemisphere—not eligible.

2. \$15 for every 30 days service overseas—eligible.

3. Seven days pay and allowances, including dependents allowances and subsistence allowance at standard rates payable in Canada, for every six months overseas—not eligible.

4. A reestablishment credit equal to the sum of No. 1 and No. 2, which may be used for certain purposes—not eligible.

I think that summarizes the analysis of the war service grants by the Canadian Corps of Fire Fighters. Subsequently, the minister was good enough to write me. May I quote briefly from his letter. He says:

The supplementary gratuity to which I now realize the correspondence refers, was that granted under section 3(2) of the War Service Grants Act. It is true that this payment was one to which the Corps of Civilian Canadian Fire Fighters was not granted entitlement.

I think that helps to clarify the record, particularly if anyone was looking at the House of Commons debate.

Mr. BROOKS: You do not want an apology, too?

Mr. BENIDICKSON: I was just saying I was not any more sure of my position. These are very technical matters and I appreciate that the minister may have misunderstood my question.

Mr. BROOKS: I did.

Mr. BENIDICKSON: I wanted to bring the committee up to date on this particular point. I do not want to oversimplify the situation, but I am still of the opinion that a mere recognition on the part of the Department of National Defence that this corps would be entitled to their volunteer service medal would automatically correct the complaints that the corps are advancing to us today.

Mr. LENNARD: What department recognized the auxiliary supervisors?

Mr. BROOKS: The Department of National Defence.

Mr. BENIDICKSON: And they got this medal in question?

Mr. BROOKS: Yes.

Mr. BENIDICKSON: I do not want to go into any detail, but I have looked quickly at the minutes of the committee's meetings in 1946 and in 1948 and I am satisfied they did make this recommendation at that time. However, the minister and the government did not see fit to implement the recommendations completely. There were certain income tax complaints that were corrected. I do note that the minister, Mr. Brooks, was not present at the particular meeting when the corps was before the committee in 1948, but he was present in 1946. I just want to indicate to the minister that at that time he expressed very strong support—I think the whole committee did, which as I remember included Mr. Lennard and perhaps Mr. Robinson, who was a member at that time. We members were the only ones who were present at that meeting.

Mr. HERRIDGE: And Mr. H. W. Herridge.

Mr. BENIDICKSON: Yes, Mr. Herridge, of course. That was a serious omission. I just want to quote from the record. I am not going to refer to everything that was said at that time; but he said:

I do not think there is any more proof that can be presented to this committee. We all agreed that they did excellent work, that they suffered danger just the same as soldiers, that they were away from their families and that they should be treated the same as soldiers. That is the stand that we took before, and I think that is the stand we all agreed on.

That is on page 321 and 322 of the evidence of the veterans affairs committee of 1946. I would just hope that we would have another go at this. We have a new minister, and I think that this committee probably should make this recommendation, as previous committees have done. I know the minister has a very warm heart for this kind of thing. I think if we make this kind of recommendation that he will give it his most serious consideration.

Mr. HERRIDGE: Mr. Chairman, I think it would be beneficial if we now had the answers I asked the deputy minister to give the committee. What benefits were denied and what benefits are not now in the laws?

Mr. LALONDE: Mr. Chairman, I have here a list of the benefits which were not allowed or which are not available to the Corps of Canadian Fire Fighters. The first one has just been mentioned by Mr. Benidickson. It is the supplementary gratuity equal to seven days' pay and allowances for every six months overseas service. The second one is a gratuity of \$7.50 a month for service in Canada only. The third one is the re-establishment credit. The fourth is university training, which benefit has now lapsed. The fifth is the Veterans Land Act benefits for members of the corps who are not disability pensioners. The sixth is the eligibility for treatment of a non-pensionable condition under the treatment regulations. The seventh is the veterans preference for employment in the civil service. The eighth is the war veterans allowance benefits. The ninth is the benefit under the Veterans Business and Professional Loans Act, which also has lapsed.

These are the benefits under the veterans' charter that were not or are not available to the corps.

Mr. CARTER: What about education?

Mr. LALONDE: That is university training. They were eligible for vocational and technical training.

Mr. CARTER: What about their children and widows?

Mr. LALONDE: Under the Children of War Dead (Education Assistance) Act, which is reserved for pensioners, the children of members of the corps who are disability pensioners will have the same eligibility as the children of other pensioners.

Mr. SPEAKMAN: Where does this word, "civilian" come into the name of the corps? I do not see it here on their printing. Where did it appear originally?

Mr. KENDALL: I think the light has been burning since we have been discussing matters here. We were designated civilians. We have not actually ignored it; we know and everybody knows it is not, but we do not like to see it too often in print. The word itself was instituted at the time of the formation of the corps by General LaFleche who said at that particular time that if they had men from a civilian force, such as the fire departments, it would not add any additional cost in respect of training men and they would get them overseas quicker. I think that was the evolution of the word "civilian" and that is how it got in there. I think it was under the recommendation of General LaFleche at that time.

Mr. SPEAKMAN: I was stationed very close to these people during the war. This name never appeared in connection with anything I ever saw in respect of the Canadian Corps of Fire Fighters. To begin with, I think the use of the word "civilian" is unfair. They were servicemen.

Mr. CARTER: As I understand the brief and the remarks made by Mr. Magill, what they really want is to be placed on a par with other members of the armed services. I wonder if Mr. Lalonde can tell us whether or not that can be done without a change in the definition of the word "veteran" in the various acts of the veterans' charter. In how many cases would we have to change the definition to include firefighters?

Mr. BENIDICKSON: Going back to my question, if they were recipients of the medal the other benefits automatically flow under the veterans statutes.

Mr. LALONDE: The system, Mr. Carter, which has been used in the past has been to have a special act cover the members of the corps of firefighters and to give them specific benefits in that act, administered under other acts of the charter. There has never been any attempt in the firefighters act to define the members as veterans. They have just been given eligibility for benefits as firefighters which are explained, or for which the provisions appear in greater detail, in other acts.

Your question is how could we apply the provisions of the firefighters' act to define them as veterans. I am sure it would require an amendment, but I am not prepared to say whether or not you could define firefighters as veterans under the firefighters act and then apply all the other acts to them, or whether you would need to amend a number of other acts to include them in the definition of veterans under the different acts, because the definition "veteran" varies in a number of acts.

Mr. CARTER: In the War Veterans Allowance Act the veteran who is eligible is defined.

Mr. LALONDE: Yes.

Mr. CARTER: I do not see how they can get war veterans allowance unless that definition is changed to include them.

Mr. LALONDE: In that particular case I should think so because the definition "veteran" covers about three pages.

Mr. LENNARD: May I ask if the auxiliary services supervisors under our act are considered as veterans?

Mr. LALONDE: This is the way it reads:

Every supervisor on the termination of his service as such shall be deemed to be a veteran within the meaning of the Veterans Land Act, the Veterans Insurance Act, the Veterans Rehabilitation Act,...

Mr. LENNARD: Mr. Chairman, I might say as far as these auxiliary services supervisors are concerned, they were people who enlisted from the Canadian Legion, the Y.M.C.A., the Knights of Columbus and the Salvation Army. Undoubtedly in the majority of cases they were civilians. If they have been granted certain privileges, such as the war service medal, I see no good reason at all why the Canadian firefighters should not have at least that same privilege of having the war service medal award.

Mr. BROOKS: I think it should be explained to this committee that the auxiliary services were formed under the Minister of National Defence, with the express purpose of serving with the armed forces at all times in theatres of war and wherever the armed forces were serving. We may assume that clears up this point.

At the time of attestation of the Canadian firefighters they took an oath. The form of the oath is as follows: I hereby offer to serve as a member of the civilian Canadian firefighters for service in the United Kingdom. That was the form attestation at the time. At that time I do not think they were under the Department of National Defence. They were under National War Services. There was this difference between the auxiliary services and the Canadian firefighters. There was no misrepresentation made to the firefighters, as far as I can see from the record. They understood they were being recruited as a civilian force of firefighters. I think that is very definite.

Mr. LENNARD: What position did General LaFleche hold at the time?

Mr. LALONDE: He was Associate Deputy Minister, National War Services.

Mr. MCINTOSH: Was there any attestation taken by the members of the auxiliary services?

Mr. LALONDE: The same as the armed forces.

Mr. CARTER: Could they resign at any time?

Mr. BROOKS: No; I do not think so.

Mr. LENNARD: My understanding is that the supervisors could resign.

Mr. LALONDE: This is the way the order in council reads and it is repeated for each branch of the service:

Supervisors serving with the Royal Canadian Navy shall be deemed to be members of the Canadian naval forces for all purposes except engaging in combat with the enemy, and shall be subject to the naval law in all respects, as though they were officers holding the rank of Lieutenant and shall be entitled to the pay and allowances, pensions and all other benefits (except income tax benefits) applicable or pertaining to such rank as and from the date they embark for service outside Canada until their services are terminated by the chief of naval personnel.

That is repeated for each branch of the service.

Mr. ROGERS: There were quite a number of men in the auxiliary services who were World War I veterans.

Mr. BROOKS: Most of the Legion men were—practically all of them, as a matter of fact.

Mr. PETERS: In Newfoundland is there anything similar to the firefighters and, if so, what consideration has been given to them? In other words, they would have been attached to imperial command at that time.

Mr. BROOKS: Perhaps this would be of interest: pensions paid to the corps of firefighters and supervisors at the present time. The total number for supervisors is 585.

There were eight deaths and sixty-three disability pensioners.

Firefighters: the total number involved, 408. There are three deaths and, according to our records, thirty-four disabilities.

Mr. KENDALL: One other thing I would like to have written into the record if I may is this: that we are wholeheartedly supported by the International Association of Fire Fighters, and wholeheartedly supported by the Canadian Legion who, on this occasion, have some of their representatives present.

Mr. HERRIDGE: Your representation receives their wholehearted support.

Mr. KENDALL: That is right, and I would like this committee, since the international board is represented here, to grant them permission, or the privilege of speaking just for one moment, if it is at all possible.

Mr. FORGIE: I do not want to delay matters, but I think the minister made a statement in the 1946 minutes of this committee to which I heartily subscribe, and I support him on this statement, which reads as follows:

I do not intend to delay the deliberations of the committee, but I think the whole point was, as to whether these men should be treated the same as soldiers who went overseas. The only objection that the government could take to their representation was as to whether they were enlisted as soldiers, whether they performed duties which were the same as soldiers, suffered dangers and so on.

Mr. BROOKS: That is the objection which the government took; it was the only objection which the government could take to their representation. It was as to whether they were enlisted as soldiers. They objected to that and said they were not enlisted as soldiers. That was the objection previously taken.

Mr. FORGIE: The committee discussed this on previous occasions, and we decided at that time that these men did practically the same work as soldiers overseas, and that they should be treated the same as soldiers were treated.

The VICE-CHAIRMAN: Gentlemen: if there are no more questions I do not think this is the place for statements. We will have to consider this brief and we will discuss it later on.

Mr. CARTER: Mr. Chairman, I have two small questions: first, were they under Canadian command or under Imperial command? And, two, did they receive Canadian rates of pay or Imperial rates of pay?

Mr. MAGILL: We received Canadian rates of pay. There are three or four of our officers sitting over there. They were Canadian officers and they were in charge of us. We were directly under their command, I would say.

Mr. HACHE: As far as the rates of pay are concerned, we were under the F.R.I., Canadian army, active, the same as the Canadian armed services. But our ranks were different. For administrative purposes we were under the department of national war service, but under our own officers. For operational purposes we were under the British national fire service, with our own officers. That is the reason the word "civilian" crept in.

The VICE-CHAIRMAN: If there are no more questions, I thank Mr. Magill and Mr. Kendall for their presentation.

Mr. HERRIDGE: Mr. Chairman, I believe one or two witnesses asked that permission be granted for the international officers to say a few words. I think they should be given the opportunity.

The VICE-CHAIRMAN: I have some correspondence which, when we are finished with the questions, I want to read into the record. If there is anyone else who wishes to be heard, we will not shut him off.

Mr. LENNARD: There is no sense in our having repetition of these things.

STANDING COMMITTEE

Mr. KENDALL: We do not want repetition. I think the chairman is quite correct in his stand. There is correspondence from the Legion and from various organizations across Canada which substantiates our stand.

The VICE-CHAIRMAN: I do not have any from the Legion.

Mr. KENDALL: I would like the men from the Legion to stand up and be counted.

The VICE-CHAIRMAN: All right.

Mr. D. M. THOMPSON (*Director, Service Bureau, Canadian Legion*): Mr. Chairman and members of the committee, the Canadian Legion is most sympathetic to the representation of the Corps of Canadian (Overseas) Fire Fighters, and it has made representations in previous years on their behalf.

The VICE-CHAIRMAN: Is there anyone else?

Mr. KENDALL: No, I think that is fine.

The VICE-CHAIRMAN: I wish to thank you for your presentation. I think I can assure you that the committee will give every consideration to the brief and to the representation.

Now, before we close this part of the meeting, I have two telegrams and two letters which I think should be read into the record.

The first one is from the Canadian Council of War Veterans Associations and is addressed to Walter Dinsdale, chairman of the committee. It reads as follows, and I quote:

April 17, 1959

Walter Dinsdale, Esq. M.P.

Chairman, Standing Committee on Veterans Affairs,
Parliament Building,
Ottawa.

The Canadian Council of War Veterans Associations representing fifteen member associations supports and urges full consideration to the requests of the Corps of Canadian (Overseas) Fire Fighters as presented to your committee on Monday April 20, 1959.

Robert A. Dow, President
Canadian Council War Veterans Association.

The second communication is a wire addressed to Mr. Dinsdale as chairman of the committee.

It reads as follows, and I quote:

April 17, 1959

Walter Dinsdale, Esq. M.P.

Chairman, Standing Committee on Veterans Affairs,
Parliament Building,
Ottawa.

The Toronto Fire Fighters War Veterans Association supports and strongly urges full consideration with regard to the brief submitted to your committee Monday, April 20, 1959 by the Corps of Canadian (Overseas) Fire Fighters.

John A. Small, Secretary
Toronto Fire Fighters War Veterans Association

The following is a letter addressed to Mr. Dinsdale, chairman of the committee and it reads as follows: it commences "dear Mr. Minister," and that is certainly a promotion for Mr. Dinsdale.

The Provincial Federation of Ontario Professional Fire Fighters

April 17, 1959

Mr. Walter Dinsdale, M.P.
Chairman, Veterans Affairs Committee,
Parliament Building,
Ottawa.

Dear Mr. Minister:

re Equal benefits for overseas fire fighters
as received by the armed forces.

The matter of members of the Canadian Overseas Fire Fighters receiving the same benefits as the armed forces has been discussed at length at several of the annual conventions of the provincial federation of Ontario professional fire fighters, since the end of World War II.

On each occasion, the delegates attending these conventions, were unanimous in the opinion that the overseas fire fighters should receive the same benefits as members of the armed forces.

The officers and members of the provincial federation of Ontario Professional Fire Fighters request your support and influence on behalf of the overseas fire fighters.

Yours very truly,

R. A. Gilbert
Secretary Treasurer

cc Hon. Colonel A. L. J. Brooks, M.P.
Minister of Veterans Affairs

The last letter is from the International Association of Fire Fighters and reads as follows:

International Association of Fire Fighters

April 13, 1959

Mr. Walter Dinsdale, M.P.,
Chairman, Veterans Affairs Committee,
House of Commons,
Ottawa.

Dear Sir,

On behalf of the Professional Fire Fighters in the province of Ontario and Manitoba, who are members of the International Association of Fire Fighters, we strongly support the requests of the Corps of Canadian (Overseas) Fire Fighters, who are also members of our organization.

It is evident they played a prominent part by their fire fighting activities, during World War II. We believe their efforts should be recognized by the government and that they are worthy of the same benefits as the armed forces.

We respectfully request your consideration of their brief.

Sincerely,
Charles R. Chambers,
Vice-President, 13th District.

Now, I think, gentlemen, that there is nothing more in connection with this, and that we will now call on the Canadian Legion to try to finish up from where we left off with their brief a week ago.

You will find in the minutes of proceedings of evidence, number seven, or in the Canadian Legion brief, if you have it, at page 212, paragraph 21, under civil service, "maintenance of preference". Perhaps Mr. Thompson should read it to us, since all the members do not have the brief or the minutes in front of them.

Mr. HERRIDGE: Take them one at a time to remind us.

The VICE-CHAIRMAN: Paragraph 21. Would Mr. Thompson just read the sections so we might discuss each one at a time?

Mr. THOMPSON:

21 Maintenance of preference.

The Federal Civil Service Act is presently under review and it is anticipated that amendments to the act may result. We believe Canada has benefited by the veterans preference in that it tends to ensure that a high percentage of civil servants will be veterans who have already demonstrated their loyalty by their willingness to make great sacrifices in defence of their country. The Canadian Legion is strongly opposed to any amendment to this act which would take away any benefit accruing to Canadian veterans.

The Canadian Legion therefore recommends—

That the existing veterans preference in employment in the civil service be maintained and applied to all government departments and crown corporations.

The VICE-CHAIRMAN: Are you in a position to discuss this today?

Mr. HERRIDGE: May I ask Mr. Thompson if, during the past year, the dominion command received any complaints, or had any complaints made to it with respect to the question of the application of the veterans preference under some circumstances?

Mr. THOMPSON: I am not quite clear as to your question, sir.

Mr. HERRIDGE: Has the dominion command received any complaints from the provincial commands, or branches, that in your opinion, the veterans preference has not been recognized in some cases.

Mr. THOMPSON: From time to time problems arise in connection with the veterans preference. Sometimes they are caused by a misunderstanding of the type of employment and what the veterans preference and the Civil Service Act specifically provide for. I cannot think offhand of any specific instance of the type you might have in mind, because these enquiries do come in from time to time. Quite often they are due to a misunderstanding of what the Civil Service Act actually provides for.

Mr. HERRIDGE: That has been my experience.

Mr. BROOME: I wonder if this might not be something which the Legion could consider: that the veterans preference should be maintained, but that for this particular application the definition should be changed so it would include volunteers who did not serve overseas. I was referring particularly to the men who were in the armed forces, such as the air commonwealth training scheme, and to men who were retained in Canada as instructors and so on. It is a point I believe which must have been brought up by various Legions.

The VICE-CHAIRMAN: It has been brought up several times and turned down.

Mr. BROOME: These men were volunteers, but it was a question of what their chief said as to where they went. Some stayed because of the variable extension in air training in Canada; they were simply chosen as men who had

volunteered for active service, but who just could not get overseas. I wonder whether the question of veterans preference is too narrow in its present definition?

Mr. THOMPSON: Mr. Chairman and Mr. Broome, the Legion has on previous occasions asked for a preference for those who served in Canada only. You will note that in this recommendation we say the Legion is strongly opposed to any amendment to this Act which would take away any benefit now accruing to Canadian veterans. We would certainly be most happy for any amendment that would provide for more than exists at present.

Mr. BROOME: Would the Legion, then, be willing to extend the same degree of veterans preference to the veteran who did not serve overseas? I am not talking about disability. We will consider that in a different category entirely. I am talking about non-pension veterans who happened to be stationed all the time in Canada, and the non-pension veterans who were overseas.

Does the Legion think there should be a differential in degree between those two categories?

Mr. THOMPSON: In answer to that question, Mr. Chairman, I can only draw on what has happened before. That is, that there have been at times in the past resolutions asking for a third preference, for those who served in Canada only.

I certainly would not be in a position to try to anticipate what the policy of the dominion convention would be on the specific questions you ask, because, after all, policy is something that is up to the membership to determine.

Mr. BROOME: That is right. But has it come up and been debated in your conventions?

Mr. THOMPSON: In previous years it has come up and, without checking the actual resolutions, my recollection is that the request was for a third preference, for those who served in Canada only. I stand to be corrected on that, because I have not the particular report with me. But I think that was the recommendation in previous years.

Mr. O'LEARY: Actually, in this resolution you are asking for the continuance of the present veterans preference.

Mr. THOMPSON: And the extension to all government departments and crown corporations.

Mr. ROGERS: Is there not a factor coming up now? Veterans have a preference in relation to penitentiary guards. I have heard there is a problem here. They need young people; they have to be under a certain age, and yet I am told the preference for veterans prevails.

There are instances such as that where it does not work very well. I mean, to be a guard you have to be a young, strong man.

The VICE-CHAIRMAN: Are we not getting beyond the scope of this recommendation, gentlemen?

Mr. ROGERS: Not at all.

The VICE-CHAIRMAN: I think I will have to confine you to the discussion of this particular section.

Mr. THOMPSON: I think the point that Colonel Rogers is raising, the specific instance, comes under the Penitentiaries Act rather than the Civil Service Act. The example is used, I suggest, to illustrate a principle. That is settled in part by the requirements of the job being filled, and sometimes problems do arise here as to whether or not age should be a factor. Problems

can and do arise, but it would seem that the requirements of the job pretty well settle that when the qualifications are listed by the Civil Service Commission, if it is a job being filled by the Civil Service Commission.

Mr. ROGERS: Not always. I want to make myself clear. I am all for the veterans preference; make no mistake about that. But I am told these problems do come up, and my question was directed to that.

Mr. CARTER: Mr. Chairman, I raised a few questions at the last session about veterans preference. I would like to ask Mr. Thompson: Are you referring to new appointments here that would come under the Civil Service Act, because in addition to the new appointments there are interdepartmental promotions, which are carried out by means of competitions inside each department. I am not sure whether veterans preference applies there or not; or to what degree, if it applies, it is actually carried out.

Mr. THOMPSON: It does not apply, because the only veterans preference that we are referring to here is under the Civil Service Act, which governs a man's entry into the Civil Service. This question of promotion within the service is something that is separate and apart, and we are not referring to that in our brief.

Mr. CARTER: That is what I want to get at. Have you taken any stand at all on this promotional competition question?

Mr. THOMPSON: No. A veteran can use his preference to get into the Civil Service. Also, if there is an open competition that is thrown open to the public, this takes it out of the field of interdepartmental competition. He then is free to apply and can use his preference again. However, as far as asking that the preference be applied in promotional competitions, I would not like to say the Legion has never asked for this, because "never" is a long time, but certainly in recent years, in my recollection, there has never been any proposal put forward by the Legion that this should apply.

Mr. HERRIDGE: Mr. Chairman, I have no recollection in all the years I have been on the committee that they asked for preference with respect to promotional examinations.

Mr. THOMPSON: I think you are right, Mr. Herridge. I do not think it ever has been, certainly not in recent years.

Mr. MACRAE: Mr. Chairman, have not the Civil Service Federation and the Civil Service Association passed resolutions for this veterans preference to be abolished? I believe that is part of the trouble today. Just a "yes" or a "no" answer would do me there. Do you know of that?

Mr. THOMPSON: I cannot answer that with certainty. I could not answer that as a fact.

The VICE-CHAIRMAN: Are there any more questions, gentlemen? If not, does the section carry?

Mr. BROOME: I would like to go back—

The VICE-CHAIRMAN: I do not think I can allow it, because in my opinion it does not come within the purview of the section.

Mr. BROOME: It is on preference.

The VICE-CHAIRMAN: But it is not on preference under this section.

Mr. BROOME: It is on veterans preference.

The VICE-CHAIRMAN: Well, ask your question.

Mr. HERRIDGE: This is not a bill; these are recommendations.

The VICE-CHAIRMAN: Yes.

Mr. BROOME: I am only asking for your opinion. You have a top category of disability. Is the Legion in favour of one veteran's preference over all other veterans?

Mr. THOMPSON: Mr. Chairman, I could not even venture an opinion on that, because that question as such has not come before a convention. I do not know what the delegates' reaction to it would be. I know such a proposal has been mentioned in the Heeney Commission Report, but there has been no Legion convention since that. Therefore, there has been no expression of opinion on that particular aspect.

Mr. BROOME: The Heeney report had something to do with taking away the preference altogether, did it not, or putting it on a point system?

I think every member of this committee is in favour of veterans' preference. I suggest, however, it is too narrow now, 13 years after the war has finished. Initially, after demobilization, the men who were overseas certainly should have had the best chance of getting in. But I have heard of dozens of cases of men who did a good job in Canada, who did not go overseas because they were doing a good job, and yet one man I know of "lost out" because he just did not have the few extra points he would have had with overseas service. But it was not his fault he stayed in Canada. I do not see why he should not rate the same preference as the other people who were overseas, because there are other compensations which those people have. This is one thing that I believe these other men are entitled to. I am talking of veterans all the way through.

Mr. THOMPSON: I would just like to make clear that I would not attempt to give an opinion on that, because it is something that undoubtedly will come up at a convention and there will be a question of policy involved. I think that is the prerogative of the members of the organization, to determine the policy they wish to follow.

The VICE-CHAIRMAN: Are there any other questions, gentlemen? Does the section carry? We pass on to Section 22, Civil Service Superannuation. Are all members now in possession of No. 7 of the minutes of proceedings, or the Legion brief, so that they can read it? If you have it, we will not ask Mr. Thompson to read it. Are there any questions?

Mr. O'LEARY: Mr. Chairman, I would like to ask Mr. Thompson this question. What was the basis of this 6 per cent request rather than the 12 per cent?

Mr. THOMPSON: You mean, the basis of the request for 6 per cent?

Mr. O'LEARY: That figure.

Mr. THOMPSON: The basis of that request is this. At the present time he has to pay the 12 per cent. He has to pay the 6 per cent that he would pay as an employee, plus 6 per cent that the employer would pay. It is felt that they should only have to pay the employee's portion. Does that answer your question, Mr. O'Leary?

Mr. O'LEARY: Yes.

Mr. ROGERS: Mr. Chairman, how does the present superannuation fund stand at present?

Mr. LALONDE: Mr. Chairman, at the moment they are now in the process, in the Department of Finance, of determining the actuarial value of the superannuation fund as of this year. They expect that the work will be completed some time this fall. I may say that there are a number of questions of policy that are being studied by the advisory committee on superannuation. What the answer is will depend on the value of the fund, and that will be available by the end of this year.

The VICE-CHAIRMAN: Are there any further questions, gentlemen? Does the section carry? Section 23 comes under Veterans Land Act, supervised farm credit. There ought to be many questions here.

Mr. HERRIDGE: Mr. Chairman, I just want an explanation. You asked if the section was carried.

The VICE-CHAIRMAN: I should have said "approved".

Mr. HERRIDGE: The committee approves that recommendation; is that what you mean?

The VICE-CHAIRMAN: I just meant, are you finished with it? Maybe I was using the wrong word.

Is there any discussion on section 23, supervised farm credit?

Mr. HERRIDGE: Mr. Chairman, I would like to ask this question. I was very interested in that section, and I know a number of other members were. Could Mr. Thompson explain briefly to the committee the background of the Legion's interest in extending this form of supervised farm credit to young Canadians. I think it is an excellent suggestion.

Mr. THOMPSON: Mr. Chairman, Mr. Herridge, this recommendation came as a result of a study by a committee that was set up at our last dominion convention. Their study drew on two things, really; the resolutions that had been submitted from the various branches, plus the knowledge and experience of members of the committee.

I think their feeling was that the Veterans Land Act has proven to be a very good thing for the veteran farmer. I think, too, that they felt that the benefits of the supervision—one might say, very kindly supervision—that had been available and had helped them to make successes of their farms should be protected for the veteran farmers. They also felt that if it could be so successful for the veteran farmers under the Act, it would be a good thing for Canadian farmers generally if this same kind of supervised farm credit was available to them.

They did not presume to try to force something on to the civilian farmer; but they felt it would serve those two purposes of ensuring that this supervision, guidance and assistance was available as long as there were soldier settlers in need of it, and also, if it was a good thing for the veteran farmers—and I think history has proven that—then it could well be a good thing for farmers generally.

Mr. HERRIDGE: I can tell Mr. Thompson that the members of farm organizations appreciate that recommendation very much indeed.

Mr. BROOME: Mr. Chairman, I think the Legion is to be congratulated tremendously on taking such a very broad viewpoint on this. I think it is all to the good when you have a body such as the Legion making a recommendation like that.

The VICE-CHAIRMAN: As there is likely to be a bill coming up, shall we pass on?

Mr. CARTER: If it is extended to civilians, does this recommendation imply that the supervision will be carried out under the Veterans Land Act by Veterans Land Act supervisors? It would be an economy to have the one person have that same area rather than setting up a dual agency in connection with that work.

Mr. THOMPSON: Mr. Chairman, my understanding of the committee's thinking, in arriving at this recommendation, when considering this matter at Edmonton, was that they realized there was a possibility that this might not be possible strictly or entirely under V.L.A. They felt there might be a need for a committee or a group that would coordinate, the V.L.A. doing the work on the ground throughout the country through their field services, and the Department of Finance and the Department of Agriculture working in conjunction with the V.L.A. That is something we did not attempt to suggest because we were interested in putting before the government what we would like to see done. Of course, how they work out the details is entirely up to

them. But it was taken for granted there was a strong possibility, if this was carried out, that this would necessitate setting up some group to bring in the other departments that would be involved.

Mr. ROGERS: I think, Mr. Thompson, what you are trying to emphasize is pre-counselling and supervision. By pre-counselling they mean they would use their field staff and, provided an applicant makes an application, a counsellor would go out and look over his application; if it was not sound, he would talk him out of it in a nice way so the applicant did not lose face. I think the inference is that if he is not doing well farming, probably the counsellor could help him to get into something else. I think that is where the emphasis should be.

Mr. HERRIDGE: In effect, Mr. Chairman, I believe what the Legion had in mind in expressing their opinion is that any administrative principle that had been found so successful under the Veterans Land Act was worth applying to Canadian farmers in general.

Mr. THOMPSON: Yes, Mr. Herridge, that is correct.

Mr. FORGIE: It has already been done.

Mr. CARTER: But, as Mr. Rogers has pointed out, it is not so easy to improve a principle when they have already started farming, but here you are asking to apply it after they have been farming and have proved unsuccessful at it. That is what I understood. The success of this under V.L.A. has been due to the fact that they have been very selective in the people who start out in the first place.

Mr. THOMPSON: In answer to that question, Mr. Carter, we certainly anticipate that there will be many people in the future settle on farms in Canada, and there are many years ahead in which this principle could be applied. In regard to what you said, what is done is done, but we felt if it was a good thing for veteran farmers, it should be a good thing for future Canadian farmers.

Mr. ROGERS: I think it can be, because there are a number of young farmers today who are hanging on by their boot tops. They have not an efficient operation. If this goes through, it will afford them an opportunity to build up a proper unit. They will have the value of pre-counselling, if they use the V.L.A. field staff and take advantage of the supervision afterwards. On the other hand, if they have not a sound proposition, this counsellor will be there to talk them out of it and help them in some other vocation in life. They do not send in applications and have them turned down cold. They will not lose face. I think there is a lot to this suggestion that could be worked out in the interests of our whole economy.

Mr. THOMPSON: In many instances, we feel it could make the difference between a man being a farmer and a man being a successful farmer.

Mr. MACDONALD (*Kings*): I believe, Mr. Chairman, that there will have to be a lot of farms re-established. We are going to have to get back into farming in a lot of areas where it has been allowed to go down in order to keep up the food necessities of the nation. I believe if the successful job done by the Veterans Land Act administration is reflected further afield, it would be a good thing for agriculture in Canada.

The VICE-CHAIRMAN: If there is nothing further, we will pass on to section 24, Children of War Dead (Education Assistance) Act. Gentlemen, we hope that enough members will stay so that we can keep a quorum and finish this subject. We will pass along as fast as we can. Are there any questions in regard to section 24? As there are no questions, we will pass on to section 25, children receiving compassionate pensions under section 25 of the Pension Act.

Mr. HERRIDGE: Would you explain to the committee the background of this recommendation and what it springs from?

Mr. THOMPSON: Are you referring to recommendation No. 25?

Mr. HERRIDGE: Yes.

Mr. THOMPSON: In the bill introduced last year to amend the children of war dead act, there was a provision made to extend the act to certain children receiving pensions under section 25, which is the so-called compassionate pension. There are a small number of children who could be receiving a pension under section 25 but pension is not being paid as of right. If the pension is paid as of right, if the veteran's death is admitted to have been due to service, then the children of war dead act applies. But we do have some cases where this is not established and there are circumstances that merit special consideration; the pension commission uses its power under section 25 and grants a compassionate award.

Last year the amendment to the act which dealt with children under section 25 was designed primarily, I believe, to cover the cases where there were some irregularities concerning the marriage, or birth of the children, and pension was paid by the commission to provide for the child under section 25, although they did not pay it under the section, they would pay it if there had been no irregularity. I stand to be corrected by the deputy minister, but I understand that was the group covered. We asked at that time that all children who were receiving pensions under section 25 receive the benefit of the children of war dead act. There is only a small number; I think there are less than ten involved. It seemed to us that if the service of the father and the circumstances of the case were enough to merit the state paying a pension under section 25, then they merited this additional expenditure to start them on the way to education, provided they meet the other qualifications.

Mr. HERRIDGE: There was only a very small number involved?

Mr. THOMPSON: Yes, I believe it is something under ten that would be involved.

Mr. BROOME: I wonder how it was missed out of the previous amendment?

Mr. LALONDE: It is more than a question of a few persons involved; there is a very big question of principle involved. Up until now, parliament has decided that the Children of War Dead (Education Assistance) Act, as the name implies, would be available to the children of those whose death was service-connected in one way or another. In the group Mr. Thompson is referring to now there is no connection between the death of the father and his military service; and because there is no such connection, it does not come within the general principle governing the act itself. That is why the act was not amended to extend eligibility to children whose father's death was not connected with his military service.

The VICE-CHAIRMAN: Are there any further questions? We will now pass on to section 26, children pensioned under section 26(7) of the Pension Act. Mr. Thompson, would you explain that section.

Mr. LALONDE: I explained that when the war amputees were here.

Mr. HERRIDGE: Yes, that is in the record.

The VICE-CHAIRMAN: If there are no further questions, we will pass on to section 27, at page 215, educational assistance for children of seriously disabled pensioners. Are there any questions?

Mr. CARTER: Does the Legion contemplate any sort of means test there, on the basis of need or irrespective of need?

Mr. THOMPSON: Mr. Chairman, again this certainly departs from the point the deputy minister has emphasized as being different from the original intent of the Children of War Dead (Education Assistance) Act, as the name implies. However, I think a great deal of the veterans legislation has undergone a change from its original form to what it is now. I do not think it should be

necessarily tied to what it has been. But in this case we have come across cases where there are children of pensioners, some 100 per cent pensioners, who are undergoing long-term treatment and are definitely unable to assist their children. You will note that we have asked that it be amended to give discretion, which admits there would be a need for not only a means test but a test in the broadest sense. Unfortunately, there are some cases where a child's father could be in a mental institution and pensioned for this condition. The date following his death the child would be eligible. But while he is alive the child is ineligible. That is why we use the word "discretion", and that would involve a means test.

Mr. CARTER: I support that, Mr. Chairman.

The VICE-CHAIRMAN: If there is not anything^a further, we will conclude this discussion of the sections covering the recommendations of the Legion committee. This concludes our work for today. So far as I know, our next meeting will be held at eleven o'clock on Thursday morning.

I believe it is the intention of the chairman to be back in order to take up legislation on Thursday. This really completes it, unless you feel you want to hold section 1 of the estimates open. If you wish to hold that back for further discussion on Thursday, we might do so; it is up to the committee; or you may pass item 1 of the estimates, and that will close the estimates. Then the steering committee could get on with its report.

Mr. HERRIDGE: Mr. Chairman, in view of the attendance just now, I suggest it would not be advisable to pass item 1 at this meeting. There may be members who are not able to be here this afternoon because of the debate in the house.

The VICE-CHAIRMAN: Is that agreed?

Agreed.

The VICE-CHAIRMAN: Then I think the best suggestion is that we will start out with item 1 at our next meeting, wind it up and then go on with the legislation after that.

—The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

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20.12
Physical &
Applied Sci
Serials

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

including Index of items considered.

Estimates 1959-60 of the Department of Veterans Affairs
Bill C-31, An Act to amend the Veteran Rehabilitation Act.
Bill C-32, An Act to amend the War Service Grants Act.

THURSDAY, APRIL 23, 1959

WITNESSES:

Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs; Mr. G. H. Parliament, Director General, Veterans' Welfare Service; Mr. D. M. Thompson, Canadian Legion.

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.,

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (<i>Kings</i>)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, ROOM 112-N.

THURSDAY, April 23, 1959.

The Standing Committee on Veterans Affairs met at 11:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Badanai, Beech, Broome, Carter, Clancy, Dinsdale, Fane, Forgie, Fortin, Garland, Herridge, Jung, Lennard, MacRae, Matthews, McIntosh, Montgomery, O'Leary, Ormiston, Parizeau, Rogers, Speakman, Stearns, Thomas, Weichel, Winkler.

In attendance: Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs; Mr. F. T. Mace, Assistant Deputy Minister; Mr. G. H. Parliament, Director General, Veterans Welfare Services; Mr. T. T. Taylor, Director of Legal Services; Mr. C. F. Black, Secretary of the Department; Mr. J. G. Bowland, Research Adviser. Also from the Canadian Legion—Mr. D. M. Thompson, Director, Service Bureau; Mr. M. MacFarlane and Mr. Bert Hanmer, Service Officers.

The Committee resumed consideration of the Estimates 1959-1960 of the Department of Veterans Affairs.

Item 448 was further considered and finally approved.

The Committee then proceeded to the consideration of Bill C-32, An Act to amend the War Service Grants Act.

Clauses 1, 2, 3 and 4 were severally considered and adopted.

On Clause 5. On motion of Mr. Speakman, seconded by Mr. Herridge.

Resolved,—That the said clause be adopted but that a recommendation be made to the Government to consider making provision in the Bill to provide where such member is unmarried, and has no dependents, that member's re-establishment credit shall be held and made available for his re-establishment whenever he may be released from hospital within twelve months of such discharge.

Clauses 6, 7, 8, 9, 10, 11, 12 and 13 were severally considered and adopted.

During the consideration of the Bill Messrs. Lalonde, Parliament and Thompson were questioned on various aspects of the Bill.

The Committee then proceeded to the consideration of Bill C-31, An Act to amend the Veterans Rehabilitation Act.

Clauses 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 were severally considered and adopted.

The preamble of the two Bills and the title of each were in turn adopted and both Bills ordered to be reported to the House without amendment, except that a recommendation should accompany the Report on Bill C-32.

At 12:50 o'clock p.m. the Committee adjourned to the call of the Chair.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

THURSDAY, April 23, 1959.
11.00 a.m.

The CHAIRMAN: Gentlemen, we have a quorum.

I wish to thank Mr. Montgomery, who has very ably carried on during the last two meetings. I understand you have made wonderful progress in your deliberations to the extent that now we have completed the consideration of the estimates with the exception of the first item. In the house we are getting near the stage where the estimates will be required for general discussion. Therefore I think we might conclude our discussion this morning on the estimates, if it is your wish, and report them back to the house. Have you any comments on that?

Mr. BEECH: I so move.

Mr. BROOME: I second the motion.

The CHAIRMAN: There is one little problem which I believe should be brought to your attention. We have considered the representations of the various veterans' groups who have attended. I have a further request from the National Council of Veterans Associations. Colonel Eddy Baker has written requesting an appearance before this committee on Monday, May 11. I imagine it would be your wish to hear from Colonel Baker and his associates in the National Council of Veterans Associations. Is that your wish?

Agreed.

The CHAIRMAN: We will close the estimates on the understanding that we will hear from Colonel Baker.

Agreed.

The CHAIRMAN: Item 448 is approved and we have concluded our discussion of the estimates.

Mr. McINTOSH: Could we have a few words from the deputy minister in respect of the speech which the minister made in Montreal concerning an increase in pensions? To what did he refer?

Mr. LUCIEN LALONDE (*Deputy Minister, Veterans Affairs*): The minister did not mention that in his speech and I was not there when he spoke to the press afterward.

The CHAIRMAN: I think that is a matter we will have to discuss with the minister in due course.

We now have some legislative items to consider. We will first look at Bill C-32. It is an act to amend the War Service Grants Act. You will recall that the Canadian Legion submitted a brief on these particular amendments. The brief is in the record of our proceedings at page 198 of the official records.

I will ask Colonel Lalonde to give us an introductory statement on these amendments.

Mr. LALONDE: Mr. Chairman and gentlemen, before I do this I would like to introduce to the committee another official of the department who has not appeared before you as yet; Mr. T. T. Taylor, the director of the legal services. He will answer any question concerning the legal aspects of the bill or in respect of the drafting itself.

The bill has a number of changes in policy—offhand I would say about two or three. There are also a number of administrative amendments which are not creating any problems at the moment. However, since we were amending the act, we felt that this was a good time to bring it up to date.

Mr. Chairman, I suggest that if you wish to take up each clause of the bill in turn, we can indicate to the members which clause entails a change in policy and which clause is simply an administrative amendment. Of course the main change is in the deadline for the use of the re-establishment credit which, under the present act, is January 1, 1960. The bill will propose an extension of that deadline.

Mr. THOMAS: Will Mr. Lalonde give us a very brief rundown on the history of the War Service Grants Act? I know it in general, but I am a little rusty on it.

Mr. LALONDE: I think the person best qualified to do that is Mr. Parliament, the director general of welfare services, who handles that act.

Mr. G. H. PARLIAMENT (*Director General, Veterans Welfare Services*): The act set up a procedure in respect of World War II which was different to that which obtained in World War I. It divided the gratuity into two classes, one being in cash paid by the Department of National Defence and the other under section 12 of the act. A portion of the total gratuity was paid under the re-establishment credit regulations. I do not know whether or not I can add very much to that. It is all contained in section 12. It gives the purposes for which it can be used. A veteran must make application for the re-establishment credit, which is handled in the districts.

Mr. THOMAS: There were certain limitations on the use of it.

Mr. Parliament: Yes. In the early days we did have some restrictions on the use of credits for such things as radios, television sets, and so on. That has been broadened administratively within the last few years or probably the last year.

Mr. WEICHEL: How high can these credits run?

Mr. PARLIAMENT: We can give you the exact figure, but speaking strictly from memory, I think it is about \$350 on the average for World War II. We handled slightly over \$2 million in applications for credits which were set up on behalf of about 900,000 veterans. These are in round figures.

Mr. THOMAS: I believe it was \$15 a month?

Mr. PARLIAMENT: Seven and a half dollars a month for each thirty days' service in Canada. When a man went overseas he was then paid 25 cents a day extra for service overseas plus a supplementary gratuity which was seven days' pay and allowance for six months' service.

Mr. LALONDE: That is the gratuity?

Mr. PARLIAMENT: Yes.

Mr. LALONDE: That was the basis for it, rather than the credits?

Mr. PARLIAMENT: The re-establishment credit was based on the basic gratuity of \$7.50 for each thirty days in Canada, plus a gratuity carrying 25 cents a day for each day of service overseas. This formed the basic gratuity and then there was a supplementary gratuity paid at the rate of seven days pay and allowances for each 6 months served overseas.

Mr. THOMAS: I thought it was \$15 a month?

Mr. PARLIAMENT: That works out to \$15 a month.

Mr. THOMAS: For overseas service?

Mr. PARLIAMENT: Yes.

Mr. LALONDE: I might add that the gratuities, except in very few cases of veterans with overseas service who left the country right after the war and are coming back now, have all been paid. 99.9 per cent have been paid. The main item now under the War Service Grants Act is the re-establishment credit.

The CHAIRMAN: Have we any further general questions?

Mr. CLANCY: Was it the rule, in respect of this re-establishment credit, that a veteran was entitled to one year at university for every year overseas, or something like that?

Mr. PARLIAMENT: It was based on service, but under the Veterans Rehabilitation Act, the university training could be carried on for a period longer than the length of service. If a man obtained the equivalent to second class honours we could extend it each year on the recommendation of the universities. University training was an alternative to the re-establishment credit and you could not have both.

The CHAIRMAN: Can we proceed to the bill?

Agreed.

On Clause 1—Home.

Mr. MONTGOMERY: I notice here that a veteran may use the re-establishment credit to repair a home which is owned by a parent or a dependent. Does the veteran have to have any particular claim on that home? The parent may own it and will it away to someone else.

Mr. LALONDE: That is right. However, we found out there are a number of single veterans, who live with their parents who are not wealthy, and who in fact contribute to the maintenance of the parents and, indirectly, to the maintenance of the home. Under present legislation they are not allowed to use their credits to effect major repairs or improvements to that home because the title is in somebody else's name.

Our reasoning in enabling the single veteran to use his credits in this way is that, if the parents are in some degree dependent upon the veteran, there is a presumption that eventually he will have an interest in that home himself. I should say a legal interest. At the moment he has a personal interest and if he is going to continue to live there for any length of time, we feel it is contributing to his own re-establishment or his own welfare to allow him to effect those improvements.

Mr. HERRIDGE: Mr. Chairman, I think this is an excellent amendment. However, I wish to ask the deputy minister whether or not it has come to the notice of the officials that there are veterans who would benefit by this amendment? Is it because of experience?

Mr. PARLIAMENT: It is experience gained in the districts. When we asked for suggestions from them, one of the suggestions which came from the districts, and I think it was practically a universal suggestion from the districts, was that this group of single men were somewhat restricted in the use of their re-establishment credits by the definition in the act.

Mr. HERRIDGE: I think it is an excellent program.

On Clause 2.

Mr. LALONDE: That is an administrative amendment which confirms the procedure already in effect. This now makes it official.

Claused agreed to.

On Clause 3.

Mr. LALONDE: This also is an administrative item.

Clause agreed to.

On Clause 4—"Child" defined.

Mr. LALONDE: This is to extend the definition of a child, as it applies to clause 5 which incorporates a change in policy. Clause 4 is dependent on clause 5.

Clause agreed to.

On clause 5—Member eligible for re-establishment credit mentally infirm.

Mr. HERRIDGE: I suppose this is a result of experience in the districts?

Mr. PARLIAMENT: Definitely; yes.

Mr. LALONDE: The main problem there is that we have a number of veterans, many of them disability pensioners, who have been in hospital for quite a while on account of mental illness and who may continue to be in hospital for that disability at the time when the dead-line occurs for the use of the re-establishment credit. Because the veteran is alive the present act will not permit us to use the credits for the benefit of his dependents.

Unless the present act is amended, when the dead-line occurs in 1962, and the veteran is still alive, he would be prevented from using his credit because of his illness and his family would not have a chance to use it. Therefore, we propose to secure the authority to use the credit of those mentally ill for the benefit of their wives and children.

Some hon. MEMBERS: Hear, hear.

Mr. LALONDE: But it would still be subject to the purposes for which the re-establishment credit is authorized.

Mr. SPEAKMAN: Let us go a little further. What about the single veteran in the same circumstances who has no home and no dependents? He is entirely deprived of his re-establishment credit. It could be used to provide him with some additional comforts in the institution. I know there would not be too many of them.

Mr. FORGIE: Can not the public trustee ask for this money?

Mr. LALONDE: At the moment we could use the credit of that single veteran for his dependent father or mother. However, I see the point you are making. What will happen if there is a single veteran who has not come out of hospital at the time of the dead-line. I think it is a good point.

Mr. SPEAKMAN: And who has no dependents or relatives. I know of a case of that kind.

Mr. BROOME: Subclause (c) seems to have been put in to cover that.

Mr. LALONDE: The point raised is not that there is no authority to use the credits on his behalf; I think we could do it under the subclause (c). I am now thinking of a person who would use it on behalf of such a veteran.

Mr. SPEAKMAN: Life in these institutions is pretty barren. I happen to know some of these veterans. I visit a veteran who has no known relatives in Canada or anywhere. He is in a mental institution and has been since he returned from overseas in 1944. The comforts in those places are provided by outside sources. I know this man has re-establishment credits, but I do not know how much. The comforts during his hospitalization are provided by the department.

Mr. SPEAKMAN: I agree.

Mr. LALONDE: It would be useless to use his credit for that purpose because we are providing him with comfort to the tune of \$10 a month. That takes care of his needs.

Mr. SPEAKMAN: He is still entitled to this re-establishment credit?

Mr. LALONDE: Yes.

Mr. SPEAKMAN: And we are going to deprive him of it?

Mr. LALONDE: We do not intend to.

Mr. SPEAKMAN: I know, but I wonder whether this amendment goes far enough.

Mr. LALONDE: We may have to consider the possibility that this new section will not enable us to use the credits properly, on behalf of that veteran. Possibly we will have to extend the eligibility for him for a year following his discharge from hospital, if it occurs after the dead-line.

Mr. BROOME: In regard to any veteran who did have a credit, under section (c) could you not say in such a situation the minister could designate the department as being the trustee? The money could then be transferred to the department and held for this man, instead of going on, extension after extension.

Mr. LALONDE: That would be no problem,—

Mr. BROOME: You have full authority under (c) to do what you wish.

Mr. LALONDE: The problem arises where the person designated by the minister attempts to use the credit for a specific purpose. As I have pointed out it would be useless to try to use it for the veteran's comfort. He receives them from the department now; why should his money be used for that purpose? He does not need a home; we are taking care of that. He does not need tools for his business; he is not in business at the moment. However, if he is cured he may need the credit for those purposes.

Mr. BROOME: The department could hold it in trust.

Mr. LALONDE: Not after the deadline.

Mr. BROOME: You could have a designated person from the department, the Canadian Legion, or anyone you wished to act as trustee. You have all the power to select a place for this money.

Mr. FORGIE: Could it not be arranged that this money be transferred to the public trustee in the province?

Mr. LALONDE: It never is. This money comes from the consolidated revenue fund and there is an amount put in the estimates each year. But this is one of the things that is not voted upon and that money remains in the consolidated revenue. Under the law we are not allowed to pay it in cash to anyone, at any time, except for a residue of up to \$25. Therefore, this would not solve the problem.

Mr. CARTER: You could not set up an estate under the Department of Veterans Affairs?

Mr. LALONDE: No, not for credits. You must remember the re-establishment credit was set up for a special purpose and that was to help the veteran to re-establish himself in civilian life. It was never intended that it would be another gratuity which was paid in cash.

Mr. CARTER: If that veteran were well, he would assist in re-establishing his children; why could not that money be set up so if he never used it his children could use it?

Mr. LENNARD: That is covered.

Mr. LALONDE: The only problem now is the single veteran who will not have been discharged from hospital by the time the deadline occurs in 1962.

Mr. CARTER: I understand now.

Mr. LENNARD: I would move, Mr. Chairman, that this clause stand until you get it straightened out.

Mr. MONTGOMERY: I think the only thing that can be done, as the deputy minister has suggested, is to give the minister the discretion of extending the time because if you set up a trust fund he may die in the institution and then what is going to happen to the trust fund? I do not think that can be done.

Mr. McINTOSH: Section 11 of the act prohibits setting up any fund.

The CHAIRMAN: Now, gentlemen, in listening to this discussion it seems that we have hit upon a slight deficiency in the amendment, and rather than toss the subject around and continue to discuss it in this committee, perhaps the matter could be referred back to the department. I think we all understand the problem. Could we have a recommendation from this committee that this deficiency be taken care of by further amendment?

Mr. LALONDE: This, Mr. Chairman, shows we are not infallible and are glad to receive suggestions.

Mr. CLANCY: If I understand correctly from the discussion which has been going on, as long as the man needs treatment and is retained in an institution he has no need for the re-establishment credit.

Mr. LALONDE: No.

Mr. CLANCY: And the only time it would be paid out is if he was ever discharged.

Mr. LALONDE: That is correct.

Mr. CLANCY: Would it not be better to put in a subclause which would take in this particular class in the event of discharge from the institution?

Mr. McINTOSH: According to the act you could take out an insurance policy for him. That is the only thing you could do.

Mr. LALONDE: On his behalf?

Mr. LENNARD: He has no dependents.

Mr. LALONDE: But under the insurance act he has to apply for the policy himself and in this case he has really no legal guardian. When he comes out cured he might say: I do not want to have an insurance policy.

Mr. SPEAKMAN: I think we could let it stand and allow it to go back for further study because I think the correcting of this would be a very simple matter. You could get your experts working on it.

The CHAIRMAN: Could we have a recommendation?

Mr. HERRIDGE: I move, Mr. Chairman, that this section be referred back to the minister and his officials for further consideration.

Mr. WEICHEL: I second the motion.

Mr. BEECH: Could we not have a small subcommittee who could discuss it and bring in a recommendation? In this way we would know what we are talking about.

Mr. ROGERS: Is there an urgency to have this bill passed right now?

The CHAIRMAN: Well, if we could complete our considerations this morning it would facilitate the business of the committee and the house. Now, it is rather difficult to formulate a clause which would be required to cover the situation. However I think the problem is well understood. Could we have a specific recommendation?

Mr. MATTHEWS: Do you mean pass it, with a recommendation?

Mr. HERRIDGE: Could we have a motion drawing attention to this?

The CHAIRMAN: In our report back to the house we could specifically recommend that this matter be given further consideration.

Mr. HERRIDGE: We could say: in view of what has been discussed would further consideration be given to an amendment to meet the situation.

The CHAIRMAN: Yes, and I think the committee is agreed on that course of action.

Mr. THOMAS: It seems what we want is an extension to the present proposed amendment. As far as it goes, the amendment is satisfactory; but what

is suggested is an extension of that. So we are perfectly safe to adopt this or accept this as it is, and then recommend that consideration be given to a further amendment. Does that cover it?

Mr. LALONDE: Of course you realize, Mr. Thomas, that in any event my minister may have to put the new amendment up to cabinet for approval before it can be incorporated in the bill.

Mr. THOMAS: There may be a principle involved there that we are not completely seized with at the time. These war service grants we are talking about are not a right. I take it they are a grant for which a person may qualify. A single veteran in a mental hospital, with no dependents, probably cannot qualify for a grant and therefore, there is no consideration given to a grant in his case.

Mr. LALONDE: Our consideration was that this type of veteran is prevented, through circumstances beyond his own control, from receiving something that parliament says should be available to him. As far as that veteran is concerned, we felt he should receive special consideration; so that when those circumstances beyond his control have disappeared he might be placed in exactly the same position as the other veterans were with respect to the same benefit. I must confess that the business of a single veteran not having any dependents escaped me completely.

Mr. MONTGOMERY: Mr. Chairman, I do not suppose there are very many of these cases. Does this apply just to second world war veterans?

Mr. LALONDE: And Korean veterans.

Mr. MONTGOMERY: If he has been in a mental institution ever since he came back, I do not think there is very much hope of that man getting better.

Mr. LENNARD: I would not say that, Mr. Chairman.

Mr. MONTGOMERY: Just a moment. Do not get me wrong. His prospects are far more remote than the man who has been in and has recovered. His chances of recovering sufficiently to re-establish himself are quite remote. He may recover to the point where he can get out, but recovering to the extent where he can re-establish himself is another question. Before we proceed further, could we obtain information as to how many veterans there might be and the nature of their medical reports?

Mr. HERRIDGE: That would not help us. We should correct the act. If there is one, we should correct the act.

Mr. LENNARD: Yes, I agree with you. Great strides have been made in curing mental illness and with the modern miracles which are being performed, it is possible in the future he could be re-established.

Mr. MONTGOMERY: The possibilities are quite remote.

Mr. LALONDE: I am afraid it would be difficult for us at the moment to give you the number of single veterans in mental hospitals who would still be there in 1962. I say this because a lot of these patients are disability pensioners for whom we are paying, but they are not all in our hospitals. Some of them are in mental institutions operated by the provinces. Therefore, we would have to go through the whole list of our patients in all mental institutions and ascertain whether they are single or married. However, I am pretty certain there are only a few. It is not a large problem; that is why it escaped us.

Mr. FORGIE: Could we not amend section 9(a) to read as follows: "subject to subsection 2 where the minister is satisfied that a member, whether he be a single or married veteran"? Those words would cure the whole situation.

Mr. LALONDE: We think that we can cure the problem you brought to our attention this morning by using the same type of clause that we have used to deal with the veteran who establishes himself under the Veterans Land Act,

and then for reasons beyond his control terminates his establishment after the deadline without having received any benefit under the Veterans Land Act. This is clause 8 of the bill. We are convinced that if we use the same type of clause we could take care of this matter in regard to a single veteran who is in a mental institution.

The CHAIRMAN: Perhaps if in our report back to the house we asked that the problem of single veterans, without dependents, be taken into consideration by way of a further amendment, the problem would be adequately taken care of. Would you agree?

Mr. LALONDE: Would you go as far as recommending that the act should give these veterans an eligibility of one year after discharge from hospital because that is what we are proposing in cases of Veterans Land Act establishments?

Mr. SPEAKMAN: Then we are setting another limit.

Mr. LALONDE: No, he has a year after his discharge.

Mr. SPEAKMAN: That is what I have said.

Mr. McINTOSH: Regardless of whether it is 1970 or 1972?

Mr. LALONDE: It does not matter—one year from his discharge.

Mr. SPEAKMAN: Would the deputy minister read this over and see what he thinks of it.

Mr. LALONDE: Yes, if you add the one-year period to that, it will make it conform with the Veterans Land Act cases.

Mr. SPEAKMAN: Yes, that is right. I think that would get us out of this difficulty.

The CHAIRMAN: The wording of this recommendation from Mr. Speakman is as follows:

Where such member is unmarried and has no dependents or no known relatives living...

Mr. LALONDE: The fact that he has relatives living or not is of no consequence; I do not think that needs to be there.

The CHAIRMAN:

...that member's re-establishment credit shall be held and made available for his re-establishment whenever he may be released as cured.

Mr. LALONDE: You mean released from hospital?

Mr. SPEAKMAN: Yes.

Mr. LALONDE: Because the word "cured" may be subject to medical opinion; I do not think we want that.

The CHAIRMAN:

Released from hospital and mentally able to re-establish himself.

Mr. LALONDE: Why not leave it: when he is released from hospital, and be eligible for a period of one year from that date.

Mr. SPEAKMAN: All right; I will put that as a suggestion.

Mr. McINTOSH: Will that pass the legal advisers?

Mr. LALONDE: This is not necessarily the language that will be used by the Department of Justice in drafting an amendment, but this is the idea and the basis on which they will work.

Mr. HERRIDGE: That expresses the wishes of this committee in regard to this amendment.

Mr. McINTOSH: But you have regulations here showing it will cease in 1962.

Mr. LALONDE: Well, the clause that will be drafted by the legal people will say: notwithstanding anything in this act—and then they will give you the enabling clause.

Mr. McINTOSH: That is the point.

The CHAIRMAN: The wording will now read as follows—and I am just reading the final phrase:

...and made available for his re-establishment whenever he may be released from hospital within twelve months of such discharge.
Is that agreeable, gentlemen?

Agreed.

The CHAIRMAN: Now we have a special recommendation that will be included in our report back to the house. I think that should cover the problem.
Clause 5 agreed to.

On clause 6—provisions of act to apply.

Mr. LALONDE: This is to make the other sections of the act applicable to the one you have just approved, with an amendment.

Clause 6 agreed to.

On clause 7—purposes for and time within which available.

Mr. LALONDE: This is the clause which extends the period of eligibility.
It reads:

Within a period of fifteen years from the thirtieth day of September, 1947, or the date of his discharge, whichever is the later.

As far as World War II is concerned, this means that the thirtieth of September, 1962 will be the later date end, therefore, all veterans of World War II will have until that time to use their credits whether or not they were discharged before September, 1947, as most of them were. But this gives a common deadline for everyone, and instead of saying: you were discharged in 1944; you have fifteen years from that date; you were discharged in 1946, you have fifteen years from that date; everyone now will have the same deadline. The year 1962 gives them approximately three years from now in which to spend their credits.

As far as Korean veterans are concerned, I should point out that this gives them fifteen years from the date of their discharge, which means those discharged in 1953 will have until 1968.

Mr. THOMAS: Mr. Chairman, I think the department should be congratulated on subparagraph 2 of clause 7 where it states these re-establishment credits can be used to make up payments under the Public Service Superannuation Act.

Clause 7 agreed to.

On clause 8—computation of re-establishment credit where election for benefits under Veterans' Land Act.

Mr. LALONDE: That is the clause which will now enable us to make available to a veteran established under the Veterans Land Act and who terminates his contract after the thirtieth of September, 1962 one year in which to use his re-establishment credit, if the circumstances surrounding the termination of his establishment are such that the minister certifies he has received no benefit under the Veterans Land Act. This maintains the policy of re-establishment credit and Veterans Land Act being alternate benefits. There are cases where a veteran came under the Veterans Land Act with the intention of remaining under the act for the ten-year period which would enable him to get a substantial benefit. After four, five or six years something happens which is beyond his control and he has to terminate his establishment. Under certain rules made by the minister we are then in a position to say

this person has had no benefit under the Veterans Land Act, and if he has had no benefit under the Veterans Land Act he is entitled to benefits under the War Service Grants Act. This will enable us to make these benefits available under the War Service Grants Act, even after the deadline of 1962.

Mr. MONTGOMERY: Fifteen years after their discharge?

Mr. LALONDE: That is right.

Mr. BEECH: Would this be applicable in the case of veterans who had their land expropriated at Malton, Ontario?

Mr. LALONDE: It would be applicable to any veteran established under the Veterans Land Act who is certified by the minister as not having had any benefit.

Mr. ROGERS: He could have some benefit.

Mr. LALONDE: Or a benefit that is less than his re-establishment credit; then we could make the difference between the two available to him.

The CHAIRMAN: I believe the second recommendation in the Legion's brief comes under clause 8. We have the Legion's recommendations before us. I will read it to you.

The Veterans' Land Act settlers, particularly those with long periods of overseas service during World War II, and the Korean war, be permitted to make use of re-establishment credits after they have fulfilled the terms of their Veterans' Land Act contract. With regard to the loss of re-establishment credit on the part of those who settled under the Veterans' Land Act it should be pointed out that the man with the longest period of overseas service forfeits the most in such cases. We feel that it is not proper that this should be so.

It seems to me that that recommendation might better be dealt with under the Veterans Land Act rather than under the War Service Grants Act.

Mr. THOMAS: I have a question I would like to ask in respect of the re-establishment credit matter. What about the veteran who came under the Veterans Land Act in respect of a small holding? We will say he worked for a bank. The bank moved him to another location and he had to sell his small holdings. What would be his position? Suppose he sold that small holding at a profit and moved away and his contract with the Veterans Land Act had to be cancelled? Would the profit be considered as a benefit, or does that enter into the picture?

Mr. LALONDE: There are two aspects to this question. The first is that under the Veterans Land Act there are provisions for what we call a continuing second establishment to deal with the very type of case which you have mentioned here of a veteran who has a small holding and is moved by his firm. Suppose he comes to the director and says that, due to circumstances beyond his control, he has to move from Toronto to Montreal and wants to continue to remain established under the Veterans Land Act and asks for a second establishment, using the proceeds of his first. When that happens the director sells the first house, usually to another veteran, and if the value of the first house has gone up to the point where it covers more than the cost to the director, the profit may be used by the veteran to purchase his second holding, or he may receive the difference in cash. That is not considered to be a benefit under the Veterans Land Act because it is a capital gain.

What we usually consider a benefit under the Veterans Land Act is the payment of the conditional grant which is paid out of the taxpayers' money. The government has nothing to do with the other one. It costs the taxpayer nothing.

Mr. WINKLER: I think we should consider the suggestion which has been made that this does not apply here. I would suggest that it be eliminated from these amendments and be considered under the Veterans Land Act.

Mr. BROOME: If the veteran had applied for a holding under the V.L.A. and then gives up his right to it by taking a cash settlement under the War Service Grants Act, because of personal reasons, and then at some subsequent date wanted to refund that money to the department and come back under the Veterans Land Act, would that be possible?

Mr. LALONDE: Are you speaking of a veteran who is established under the V.L.A.?

Mr. BROOME: No.

Mr. LALONDE: You are speaking of a veteran...

Mr. BROOME: Who had proposed to establish under the V.L.A.

Mr. LALONDE: And he has used his re-establishment credit?

Mr. BROOME: Signed off his rights to the re-establishment credit under the V.L.A. and took his credit in cash for certain reasons of his own and now wishes to pay back that credit and come under the V.L.A.

Mr. LALONDE: I think I should deal with the two possible types of cases. The veteran who after the war decided to use his re-establishment credit, did in fact use it, and eight years later decides that the best re-establishment method, as far as he is concerned, is an establishment under the Veterans Land Act. He has, at the moment, until January 1, 1960, to repay his credit in cash to be established under the Veterans Land Act.

Then there is the case of a veteran who after the war secured an establishment under the Veterans Land Act, after three or four years gave it up, and we restored his credits. If he has used that credit and now wants to change his mind again, repay his credit and come back under the Veterans Land Act, then he is not eligible.

Mr. WEICHEL: Can a veteran acquiring land under the Veterans Land Act sell part of that to an individual or to a municipality if that land is wanted, for instance, for a roadway or some such purpose?

Mr. LALONDE: For the first ten years of his occupation of the land, or of his holding, under the Veterans Land Act—and possibly longer—the title to his property remains in the name of the director. Actually, the title remains in the name of the director until the veteran has paid off his debt. However, he cannot pay off within the first ten years of his establishment and get his conditional grant.

There are cases where the veteran is established, let us say, on a four or five acre small holding, and public services need part of that land. If the portion of his land which is required will not reduce it below the required minimum, then a veteran would go to the director and say I want to sell this part. The director would sell it provided it does not hurt the value of the property on which the veteran is settled. The director would then apply the proceeds to the veteran's account.

Mr. WEICHEL: There is a case of a veteran in Kitchener who had land which the city of Kitchener wanted to purchase for a roadway. I think it was agreed by all parties and also by the authorities of the Veterans Land Act that this could be done.

Mr. LALONDE: May I suggest that you wait until the Veterans Land Act bill is before us. I think that very point is well covered in that bill. I know what you have in mind and I think it will be explained fully at that time.

Mr. WEICHEL: It took about nine months to make the transaction.

Mr. LALONDE: I do not know anything about that.

Mr. WINKLER: I have a very personal experience in respect of this matter at the moment. If this clause was inserted into the proper act it would serve a tremendous purpose for the veteran; but I do not think it applies in this particular department.

The CHAIRMAN: You are referring to the Legion recommendation?

Mr. WINKLER: I am referring to the clause as it is here. I do not even know what the Legion representation is.

Mr. LALONDE: This clause 8 cannot go into the Veterans Land Act because the authority for us to make the credit available is in the War Service Grants Act. We could not use the Veterans Land Act to give authority to pay out a re-establishment credit.

Mr. WINKLER: I understand.

The CHAIRMAN: I believe Mr. Thompson has a question in respect of the Legion representation.

Mr. D. M. THOMPSON (*Canadian Legion*): As the deputy minister has said in respect of the proposed amendment, this recommendation would seem to have to be dealt with under the War Service Grants Act rather than the Veterans Land Act because it has to do with the payment of re-establishment credits.

Mr. LALONDE: That is technically correct. However, there is involved in this recommendation a question of policy under the Veterans Land Act. Why is it that the conditional grant was set at a certain figure under the Veterans Land Act? I think it is certainly relevant in the discussion as to why a person who has received the full conditional grant is not as well entitled to have the re-establishment credit.

I may point out to the committee, without arguing the merits of it, that a veteran established under the Veterans Land Act who secures the benefit of his conditional grant never suffers any loss as far as his re-establishment credit is concerned because the conditional grant is always at least twice the amount that was available for credit.

Mr. MONTGOMERY: If that were changed it seems it would give some people the advantage of having both. I do not think that would be at all fair.

Clauses 8, 9 and 10 agreed to.

On clause 11—Reference to committee of review.

Mr. LALONDE: This is an administrative item. The board of review was set up under the act right after the war and in the last section it reads:

When the minister is satisfied that the purposes for which the board of review was established have been substantially fulfilled, he may, with the approval of the governor in council, abolish the board of review and transfer its powers, duties and functions to a committee of at least three officers...

The minister did that and the only purpose behind this amendment is to put into the act what the minister has done in accordance with the previous law.

Mr. McINTOSH: That brings up another point. We have before us here all the acts which apply to your department. However, the other day a reference was made to a regulation, or something, in respect of pensions.

Mr. LALONDE: Actually, I believe the Canadian pension commission has no regulations under the Pension Act.

Mr. McINTOSH: I think Mr. Mutch said they went by this directive. We can look back in the records and find out; but my question is, have we any directives or regulations applicable to the department which have been tabled or of which you could give us a copy?

Mr. LALONDE: I might clear the air a little if I explained that in the department we work, you might say, with three "Bibles". There are the acts which are passed by parliament and which lay down what we can and cannot do. There are the regulations which are orders in council passed by the governor in council under the authority given him to pass certain regulations under the act.

Then there is a set of rules which we call departmental instructions which are explanations of the terms of both the acts and the orders in council, and which are, you might say, an administrative device to explain to our people in the field exactly what the acts and regulations mean.

Mr. McINTOSH: That is your interpretation of them. Are those three Bibles available to us?

Mr. LALONDE: I would hate to speak in terms of the departmental instructions as regulations. If you were to start reading through all the departmental instructions you would find that there is a tremendous amount of reading. The regulations are all made by order in council and these are available. All we would have to do would be to go to the Queen's printer and order copies for distribution to you. These are official regulations passed by order in council and are available. If you wish to read them all we would be glad to supply them.

Mr. BEECH: Are the regulations made by the Canadian pension commission available?

Mr. LALONDE: I think there was a misinterpretation the other day. There was a misinterpretation of the word "regulation". The Canadian pension commission, being an independent body, use their own terms. We in the department also use our own terms. When we refer to regulations we refer to orders in council. However, I think the other day the deputy chairman of the Canadian pension commission, in speaking of regulations, meant the instructions prepared by the commission itself, rather than by order in council.

Mr. BEECH: Should not the regulations be tabled so that we would have access to those in arriving at our decisions?

Mr. LALONDE: They are not official regulations in the sense that the regulations as we know them are. The regulations are by order in council and are official. Our departmental instructions are certainly not official.

Mr. McINTOSH: But your officials abide by them?

Mr. LALONDE: Yes; but there is no policy laid down in the departmental instructions; they are just explanations of the administrative process required to implement both the act and the regulations.

Mr. HERRIDGE: I think that is very necessary for the persons out in the field.

Mr. LALONDE: It is really a manual of how to do things, in order to implement the act and the orders in council in a uniform way in the nineteen districts across Canada. That is all it is. There is no policy issued by the department. The policy is contained in the act and in the orders in council.

Mr. CARTER: Would it not be an interpretation of policy?

Mr. LALONDE: There might be interpretation.

Mr. CARTER: There might be room for difference of opinion as to how that policy laid down in the act may be applied. I think that is our trouble in respect of the Canadian pension commission.

Mr. LALONDE: Then it becomes a matter of opinion. If I may use the Veterans Land Act as an example. Administratively they may say under the interpretation of the act, or the orders in council, that a veteran is not

entitled to a second establishment. Then the veteran either comes directly to the minister and says he does not think that is the correct interpretation, or he goes to his member of parliament who raises this question and says he disagrees with the interpretation. When that happens the minister has to be given a specific report explaining why this is the interpretation and sometimes he disagrees and the interpretation may be changed.

Mr. CARTER: That might apply to the Department of Veterans Affairs, which is directly under the minister, but it would not apply to the Canadian pension commission.

Mr. LALONDE: The Canadian pension commission is an independent body and they make their own policy.

Mr. CARTER: Yes. When they interpret policy they are doing something almost on a par with what a court would do.

Mr. LALONDE: They are on a par with a court.

Mr. CARTER: But if we disagree with their interpretation of policy we have no recourse.

Mr. LALONDE: Nobody has, because they are a court of last jurisdiction. Even the minister has no recourse.

Mr. ORMISTON: But you are suggesting there is a certain amount of flexibility in these regulations?

Mr. LALONDE: What regulations?

Mr. ORMISTON: In the manual, your third "bible".

Mr. LALONDE: Those are the departmental instructions.

Mr. ORMISTON: Yes.

Mr. LALONDE: We amend those every week.

Mr. McINTOSH: Have we not the power to recommend there be a change in interpretation as the commission sees it?

Mr. LALONDE: As the Canadian pension commission sees it?

Mr. McINTOSH: Yes.

Mr. LALONDE: I am afraid that I must end this discussion as far as I am concerned, because I have no power to speak for the Canadian pension commission.

The CHAIRMAN: We are not quite on clause 11 in this discussion.

Mr. McINTOSH: We will bring it up later on.

Clause 11 agreed to.

On clause 12—Members of the forces receiving treatment.

Mr. THOMAS: Does this clause at least partly take care of what we were discussing under clause 8?

Mr. LALONDE: This is only where the veteran has dependents.

Clauses 12 and 13 agreed to.

The CHAIRMAN: I neglected to refer to the first recommendation of the Legion on these amendments, which I think would come under clause 1. Before we conclude our discussion of the bill have we any comments?

Mr. HERRIDGE: On what page in the Legion brief?

The CHAIRMAN: On page 2 of the brief and on page 198 in the official record of our proceedings.

Would you like to have it read?

Mr. HERRIDGE: Please.

The CHAIRMAN:

We would like to commend the government for broadening the terms governing the use of re-establishment credits, as provided in this bill. The amendments to the act will be of great benefit to some veterans and their dependents.

We would like to suggest, however, two additional amendments, as follows:

1. That veterans who are still unmarried and have as yet been unable to avail themselves of the use of the credit be now permitted to use the re-establishment credit for the purchase of such items as clothing and personal effects, the payment of medical expenses and the payment of debts incurred for purchase of allowable items which could have been made from the re-establishment credit.

We are convinced that a very large proportion of the re-establishment credit which has not been used to date is credited to unmarried veterans who have been unable to find a use for it within the existing regulations. Also many unfamiliar with the regulations may well have made purchases out of other revenues when, in fact, the credit could have been used.

That is the extent of the recommendation.

Mr. MONTGOMERY: Which brief is that?

The CHAIRMAN: This is a supplementary brief. It is in the official record at page 198.

Mr. BEECH: Could we have a comment on that from the deputy minister?

The CHAIRMAN: Is there any discussion arising from this recommendation?

Mr. HERRIDGE: Mr. Chairman, I would like the secretary of the Legion to elaborate on that in order to refresh the committee's mind on what is behind this.

The CHAIRMAN: Mr. Thompson.

Mr. THOMPSON: Mr. Chairman and members of the committee: there has been for a number of years a strong feeling, as evidenced through resolutions passed at our branches, and provincial and dominion conventions, that the uses to which the single veterans could put their re-establishment credits were rather restricted.

I think the study of the regulations or instructions as the case may be will indicate that there has been a great deal of restriction on the permissible uses to which these credits could be put by single veterans. It seems that quite a number of veterans have remained single and intend to remain that way, and they feel that they have lost out on these re-establishment credits which were provided.

They feel that the time has now passed where there is a chance—many feel that their status is now fairly firm—and they would like to receive the benefits of the re-establishment credits. We make reference to some of them. There are cases where a few years ago a man applied to use his re-establishment credits for a certain purpose but was turned down because the regulations did not permit such a purpose. In many instances they have gone ahead and purchased, but the regulations might now quite possibly cover this type of purchase, yet they were turned down, and quite properly, at that time.

We feel that this money is there. These single chaps have expressed their views several times through resolutions. They feel this money was put there for a purpose and when it was set up no one could foresee that such a large number of them would remain single. They now feel that they should receive

the benefit of these re-establishment credits, and that their right to do so should be determined according to their marital status. That feeling has continued down through the years. The would like to get their full share of re-establishment credits. Does that answer your question?

Mr. HERRIDGE: Yes, thank you.

Mr. BEECH: If a veteran purchased something which he normally would have been able to pay for out of these credits, can he be reimbursed under the act?

Mr. PARLIAMENT: You mean that if he purchased an allowable item under his re-establishment credits and paid for them himself, that he can bring the receipt to us and get it out of the re-establishment credit? Under our interpretation, it has been that way for several years. You are speaking of item one in the Legion brief?

Mr. BEECH: That is right.

Mr. ROGERS: I take it that these suggestions do not live up to the intent of the fund for re-establishment credits. I mean the intent was to assist the veterans to get re-established. Now, whether buying clothes or items like that is going to help them to get re-established, I do not know.

Mr. LALONDE: Perhaps I might say to the committee that first of all we appreciate the intent behind the Legion's suggestion. It might simplify our position with respect to making the credits available to the single veteran. We thought of that too. But we have felt that you could not change a principle with respect to single veterans without changing it with respect to married veterans as well. So we have not agreed to suggest to the minister that we should make available to single veterans something which we did not make available to married veterans.

However, a few years ago we suggested to the minister, and he agreed with our suggestion, and put it to the governor in council, to add this item to the purposes for which the credit could be used, and that is, the purchase of clothing either for the veteran himself or for his dependents, provided that at the time of the application that he makes for the purchase of this clothing, he is without adequate income or assets to meet the costs thereof. He might be in receipt of the war veterans allowance, or he might not be eligible for the war veterans allowance, but his income would place him in the same position as a war veterans allowance recipient.

In these instances we argued that proper clothing for that veteran would be of assistance in re-establishing him. For instance, he might be looking for a job, and if he were not properly clothed, he would not get the job. So we have made it possible to use the re-establishment credits for the purchase of clothing but only in cases where it would effectively assist in the re-establishment of the veteran. But to extend that to say that every veteran could use his credit to purchase clothing, I think it would be contrary to the intent of the act, and it might be a wrong precedent to place in the legislation.

Mr. McINTOSH: Could not a single veteran use your argument in reverse? You said that there were certain things available for the married veteran which are not available to the single veteran.

Mr. LALONDE: Yes, but it is as a result of this argument that we are now submitting amendments to this committee. Our experience has shown that the major field of complaints from single veterans was over the fact that a great many married veterans used their credits to repair their homes or modernize them, or to purchase furniture for their homes, whereas single veterans who were living with their parents were not able to do that.

We now propose to place the single veteran on a par with the married veteran with respect to the main purposes for the use of his credit. That is exactly the reason we are recommending the amendment.

Mr. McINTOSH: You do allow a single veteran to use his re-establishment credits to purchase clothing?

Mr. LALONDE: If he is in circumstances of necessity, the same applies to a married veteran.

Mr. McINTOSH: And you do allow a single veteran to purchase furniture?

Mr. LALONDE: Yes.

Mr. ROGERS: You would appear to be pretty well covered, Mr. Thompson.

Mr. THOMPSON: There is a certain number of those people who are not in a position to live at home where they could qualify for the purchase of furniture. We have no figures of the number concerned, but I think a great deal of the feeling that is reflected in this resolution coming forward is a result of the former restrictions. Many of those cases might have been taken care of if greater provision for single veterans had been made known to more of them, although there will always be some who undoubtedly are not living at home with their parents, but who are living on their own, let us say, in boarding houses, and they just do not fit into the picture which you propose here. But there are many actually using the money to establish an interest in the home in the full sense of the word. These others are the chaps who are rather outside of realizing the full benefit of the re-establishment credits. They see this as money—as Mr. Parliament has said—provided for their gratuity and which is placed in two categories: one part to be paid in cash, and the other part which is tied up with their re-establishment credits.

Mr. LALONDE: I think you are giving it an interpretation that is not quite in line with the facts. Two benefits were granted: one by gratuity and the other by re-establishment credits.

Mr. THOMPSON: This is an explanation to cover this particular picture. They look on this money as something which they feel they should have in one way or another, and that if the regulations or the act do not permit it, they feel that they have such a right, and they feel that because their marital status or their home environment does not fit them within the regulations, they feel they should not be made to lose out on it completely.

Mr. LALONDE: What we propose to do is this: we have already started on it, but it is going to be a fair sized job: we propose to contact every veteran who has a credit on his ledger sheet. We shall start out with those who have larger credits and eventually take all of them. We propose to explain to them the purposes for which they can use their credits. While the onus is going to be on the welfare services to carry out that work, we sincerely hope that we will be able, with the present staff, to get around to all remaining veterans so that they will have used their credits by September 1962. We think that the outstanding credits are divided 75 per cent to married veterans and 25 per cent to single veterans.

Mr. McINTOSH: What provision have you to stop a single veteran from buying furniture and then reselling it at half price?

Mr. LALONDE: No provision at all.

Mr. McINTOSH: You have nothing now that you did not have before?

Mr. LALONDE: No, and we never did.

Mr. McINTOSH: Yes. I know of a case where you refused permission to a single veteran to buy furniture.

Mr. LALONDE: Not if he was living in an unfurnished room, or anything like that.

Mr. McINTOSH: I know of a case where you only allowed him to buy a certain amount. That is correct. And I know of cases where veterans purchased furniture and then sold it at half price.

Mr. LALONDE: We prosecuted some veterans who made shady deals with furniture dealers, but we had to have the evidence to secure a conviction. That is the difference. I am sure there are veterans who, at one time or another, pawned their medals, and I am sure there are veterans who at one time or another when they needed the money, resold the furniture which they had secured with their credits. That is inevitable.

Mr. McINTOSH: Would you reimburse a married veteran for what he had purchased when he was single?

Mr. LALONDE: Yes, it all depends on the conditions under which he was living. Every case is different.

Mr. CARTER: As a matter of principle, is it right that the benefit which the veteran receives in this particular, or the amount, should depend on his marital status?

Mr. LALONDE: That would be a little difficult to administer, because I think it is fair to say that veterans are of the marrying kind, and most of those who were single after the war, married after a few years. So if you are going to base the credit on the marital status at the time of discharge, it would be unfair to some veterans. In fact it might even have discouraged some of them from getting married at a later date. I think the amendment we are going to offer in respect to single veterans will equate the footing. It was a situation which we did not have before.

Mr. CARTER: Should you not have had equal footing right from the beginning? Why do you want it at this late date?

Mr. LALONDE: This is the first time in Canadian history that re-establishment credit has been given as a benefit to returned members of the forces. I think the people who enacted this had a great deal of foresight, because with its deficiencies, it has worked fairly well. We, coming after them, with the experience of fourteen or fifteen years after the war, can claim to be wiser now. Hindsight is always better than foresight. These are things which occurred to us through the benefit of fourteen years of experience in administration. I am sure that at the beginning it was felt that it was sufficient to enable a single veteran to go back to a profession, or business, or to buy a home for himself; but it did not turn out that way. However, only experience could prove that.

Mr. CARTER: Perhaps now that we are so much wiser we should set up a marriage bureau.

The CHAIRMAN: To be administered by Mr. Parliament, of course.

Mr. HERRIDGE: Is it correct to say that regardless of the veterans being notified of the benefits they can obtain, there will still be a percentage of single veterans who will be denied the privilege of buying clothing and the benefits they might obtain? There will still be a percentage of single veterans who will be denied the privilege of buying clothing and things of that sort, because of their circumstances being better than others—veterans who would not be able to take advantage of their re-establishment credits, under those circumstances?

Mr. LALONDE: I do not know that it is possible for a single veteran who is fairly well off not to be able to make use of one of the purposes in the Act between now and 1962. I cannot think of any case where even a single veteran should not be able to use his credit once the Act is amended.

Mr. BEECH: How about medical expenses; what is the feeling about those?

Mr. LALONDE: The payment of medical expenses is nothing more or less than a cash payment, in the long run. Where are you going to place the dead-line—medical expenses paid in 1946, medical expenses paid in 1953, or medical expenses paid in 1958? If you pay medical expenses you are going to have to reimburse all medical expenses paid since the war. That, to me, becomes a straight cash payment, and parliament has never intended that the reestablishment credit should be paid in cash.

Mr. ROGERS: Mr. Chairman, I would like to go on record as saying this. I think it has been administered pretty well and, after all, when you are a custodian you look at the situation a bit differently than you do when you are on the outside.

The CHAIRMAN: Have we completed our discussion on this matter?

Some Hon. MEMBER: Yes.

Preamble agreed to.

The CHAIRMAN: Shall I report the bill?

Mr. CARTER: With the recommendation.

The CHAIRMAN: Yes. Bill C-31.

Mr. HERRIDGE: I might mention, Mr. Chairman, a unanimous recommendation.

The CHAIRMAN: Yes, a unanimous recommendation.

You have a copy of Bill C-31 before you. This is an Act to amend the Veterans Rehabilitation Act.

Mr. BROOME: A short explanation, Mr. Chairman.

Mr. LALONDE: The explanation will be very short, Mr. Chairman. Actually, the benefits granted under the Veterans Rehabilitation Act are mostly out of date now. There are still a few veterans who are following courses of education. They are covered by the present act. But since we were going to amend the War Service Grants Act, we decided that this would be an opportune time to tidy up the Veterans Rehabilitation Act, purely from an administrative standpoint, and bring it up to date by eliminating the conditions that have now elapsed because of the time limits. This is what we are attempting to do.

We also had to amend the Act for another reason. We have been paying to veterans what we call compensating adjustments on the strength of an item in the estimates, and it has been pointed out to us that this was not the best way to do it; it should receive parliament's approval. We are now attempting to secure parliament's approval of what we have been doing, through an amendment to this Act. So there is no change in policy; there is no amendment affecting the people who are receiving benefits under this Act.

Mr. CARTER: Mr. Chairman, that brings to mind the fact that the Corps of Canadian (Overseas) Fire Fighters representatives were before us a few days ago. They complained that they had been unjustly deprived of some of these benefits which were available to other veterans and not to them at the time when they needed them. Now these benefits are going out of existence. Should the government at some later time come to the conclusion that the firefighters were unjustly and unfairly dealt with, how could we remedy that situation?

Mr. LALONDE: I think Mr. McGill, who was presenting the brief the other day, Mr. Carter, said that as far as this act was concerned it was only a question of principle, because they realized that the benefits were not available any more and they were not asking for the benefits of university training

to be given to the firefighters at this time. So this bill does not affect the representations of the firefighters, nor the recommendations or the decisions that this committee might make on the question of principle.

Clauses 1 to 5 inclusive agreed to.

On clause 6—Repayment to veteran of allowance etcetera, where veteran receives no benefits from the Veterans' Land Act.

Mr. LALONDE: This is the clause which will enable us to repay the compensating adjustment in cash.

Mr. HERRIDGE: Pardon me, Mr. Chairman. Could the deputy minister inform the committee what would be the number of veterans at the present time who would benefit by this section? Have you any idea at all?

Mr. LALONDE: I could not tell you the exact number at this time, Mr. Herridge; I would have to go back and look at our records. For a while I was chairman of the departmental committee dealing with these adjustments; subsequently Mr. Black was the chairman. I think that the average number of cases per year would not exceed 200.

Mr. HERRIDGE: I would not want you to go to any trouble. I was just asking for the sake of getting a rough idea.

Mr. LALONDE: For your information on that question, Mr. Herridge, the average amount of money that we reimburse the veterans each year is about \$200,000.

Mr. HERRIDGE: Thank you.

Clauses 6 to 10 inclusive agreed to.

The CHAIRMAN: Gentlemen, before we consider the preamble, there was one query from the Legion. It was a recommendation presented more in the form of a query than a recommendation. The Legion is wondering about the position of the veterans who have spent a long period in hospital, and whether they will be covered by the terms of this act upon their discharge from hospital.

Mr. LALONDE: Under present policy, Mr. Chairman, I can give the Legion the assurance that these cases are covered. I cannot speak for future governments or ministers, but I know that at the moment these cases are all covered.

Preamble agreed to.

Title agreed to.

The CHAIRMAN: Shall we report the bill?

Agreed.

The CHAIRMAN: We are running out of business for the moment. We will have to consider a general report in camera one of these days, and then we have the Veterans' Land Act. Other than that, our work is concluded. We will contact the members of the committee with reference to the general report. Have we a motion for adjournment?

Mr. BEECH: I so move.

Mr. McINTOSH: When is our next meeting, when this other delegation comes?

The CHAIRMAN: Colonel Baker requested Monday, May 11, so I presume, with the general agreement of the committee, we might follow the precedent established of meeting on Monday afternoon?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Monday, May 11.

Mr. HERRIDGE: Mr. Chairman, I must correct that—temporary decisions made without precedent.

The CHAIRMAN: We will adjourn.

The committee adjourned.

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HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 13

Including Second, Third and Fourth Reports to the House

MONDAY, MAY 11, 1959

WITNESSES:

Colonel E. A. Baker; Judge P. G. McDonagh; Mr. Lucien Lalonde;
Mr. F. J. G. Garneau; Mr. Leslie A. Mutch, etc.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.,

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (<i>Kings</i>)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

REPORTS TO THE HOUSE

THURSDAY, 30th April, 1959.

The Standing Committee on Veterans Affairs has the honour to present its

SECOND REPORT

Pursuant to the Order of Reference of Wednesday, March 4th, 1959, your Committee has considered Bill C-31, An Act to amend the Veterans Rehabilitation Act, and has agreed to report same without amendment.

A copy of the Minutes of Proceedings and Evidence relating to the above is appended hereto.

Respectfully submitted,

WALTER DINSDALE,
Chairman.

THURSDAY, April 30, 1959.

The Standing Committee on Veterans Affairs has the honour to present its

THIRD REPORT

Pursuant to the Order of Reference of Wednesday, March 4th, 1959, your Committee has considered Bill C-32, An Act to amend the War Service Grants Act, and has agreed to report same without amendment.

However, in the course of the deliberations upon the said Bill it was unanimously agreed that an amendment to the Bill should be made.

In the view of the Committee the proposed amendment to Clause 5 of the Bill may result in an increased charge upon the public. Therefore, your Committee feels that it has no option under the Rules of the House but to report the Bill without amendment.

Your Committee, however, agreed that an amendment is desirable and therefore recommends that the Government consider the advisability of amending Bill C-32 by providing that

“when such member is unmarried and has no dependents, that member’s re-establishment credit shall be held and made available for his re-establishment whenever he may be released from hospital within twelve months of such discharge”.

A copy of the Minutes of Proceedings and Evidence relating to the above is appended hereto.

Respectfully submitted,

WALTER DINSDALE,
Chairman.

THURSDAY, 30th April, 1959.

The Standing Committee on Veterans Affairs has the honour to present its

FOURTH REPORT

Pursuant to the Order of Reference of Friday, February 13, 1959, your Committee has carefully considered items 448 to 473 inclusive and Items numbered 487 and 488 as listed in the Main Estimates of 1959-1960, relating to the Department of Veterans Affairs and your Committee has agreed to approve them.

During the study of the said Estimates, your Committee heard the Minister of Veterans Affairs and a large number of officials of the Department, namely, Mr. Lucien Lalonde, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister; Mr. T. D. Anderson, Chairman of the Canadian Pension Commission, and Mr. Leslie A. Mutch, Deputy Chairman; Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board; Mr. G. H. Parliament, Director-General, Veterans Welfare Services; Mr. C. F. Black, Secretary of the Department; Mr. T. J. Rutherford, Director, Veterans' Land Administration; Dr. John N. Crawford, Director-General, Treatment Services; Mr. P. E. Reynolds, Chief Pensions Advocate; Mr. R. Bonnar, Assistant Secretary of the Department.

Your Committee is grateful to the Minister and his officials for their valuable contribution to the work of the Committee during the consideration of the Estimates.

A copy of the Minutes of Proceedings and Evidence relating to the above is appended hereto.

Respectfully submitted,

WALTER DINSDALE,
Chairman.

MINUTES OF PROCEEDINGS

House of Commons, Room 112-N.

MONDAY, May 11th, 1959.

The Standing Committee on Veterans Affairs met at 3:30 o'clock p.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Beech, Dinsdale, Fane, Forgie, Herridge, Jung, Kennedy, McEwan, MacRae, Matthews, McIntosh, Montgomery, Ormiston, Pugh, Roberge, Rogers, Speakman, Webster, Weichel, Winkler.

In attendance: *From the Department of Veterans Affairs:* Honourable A. J. Brooks, Minister of Veterans Affairs; Mr. Lucien Lalonde, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister; Mr. G. H. Parliament, Director General Veterans Welfare Services; Mr. C. F. Black, Secretary of the Department.

From the Canadian Pension Commission: Mr. T. D. Anderson, Chairman; Mr. Leslie A. Mutch, Vice-Chairman.

From the War Veterans Allowance Board: Mr. F. J. G. Garneau, Chairman.

From the Canadian Legion: Mr. D. M. Thompson, Director, Service Bureau; Mr. M. MacFarlane, Service Officer.

From the National Council of Veteran Associations in Canada: Col. E. A. Baker, Chairman.

From the Canadian Paraplegic Association: Mr. Ken Langford; Mr. Andy Clark.

From the Sir Arthur Pearson Association of War Blinded: Mr. W. Dies; Mr. F. Woodcock.

From the War Amputations of Canada: Mr. A. Piper, Mr. W. Brown, Mr. R. Turner.

From the War Pensioners of Canada: Mr. John Black and Judge F. G. J. McDonagh.

From the Army, Navy and Air Force Veterans in Canada: Mr. J. P. McNamara, Mr. J. P. Nevins.

From the Hong Kong Veterans: Captain Lionel Hurd.

From the Canadian Corps Association: Mr. E. J. Parsons.

At the invitation of the Chairman, the Minister welcomed the delegates of the National Council of Veteran Associations in Canada.

Colonel E. A. Baker, Chairman of the National Council, thanked the Minister and the Members of the Committee for their hearty welcome.

Judge F. G. J. McDonagh introduced the members of the delegation, whereafter he proceeded to read a brief on behalf of the National Council of Veteran Associations in Canada. At the conclusion, the Chairman thanked Judge McDonagh for the presentation and asked Colonel Baker for his comments.

It was agreed that the Committee would review the brief and discuss each recommendation separately. During this general discussion on the brief the following were heard:

Colonel E. A. Baker.
Judge F. G. J. McDonagh.
Mr. J. P. Nevins.
Mr. John Black.
Mr. W. Dies.
Mr. F. Woodcock.
Mr. A. J. Parsons.
Mr. Lionel Hurd.
Mr. Leslie Mutch.
Mr. F. J. G. Garneau.
Mr. Lucien Lalonde.

At the conclusion, the Chairman thanked Colonel Baker and his associates for their attendance and contribution to the Committee's work. Colonel Baker in turn thanked the Chairman and Members of the Committee for their very kind and patient hearing.

At 5:20 o'clock p.m. the Committee adjourned to the call of the Chair.

Antoine Chassé
Clerk of the Committee.

EVIDENCE

MONDAY,
May 11, 1959.
3:30 p.m.

The CHAIRMAN: Gentlemen, we have a quorum. Shall we proceed to the business at hand? This is rather a special meeting of our committee in that we are welcoming members of the National Council of Veteran Associations in Canada into our midst. Fortunately, they are led by their chairman, Colonel Eddie Baker. We understood, Colonel Baker, that you were hors de combat earlier and not able to appear. We are very pleased it has been possible for you to come before us this afternoon.

This is the last group to appear before the Standing committee. It looks as if you will have the last word here this afternoon. We have some legislative matters to come before us, but so far as presentations from veterans groups are concerned, this is the final presentation for this current session.

The minister will be with us. In fact, here he comes through the door. He was delayed by a long-distance call, but is making an entry at an opportune time.

Colonel Brooks, I think it would be appropriate if you would welcome to our committee the members of the National Council of Veteran Associations in Canada. We are happy you are with us this afternoon. I was explaining this is the last representation we have to hear, and that we are looking forward to a profitable meeting with the delegation which is before us.

Hon. Alfred BROOKS (*Minister of Veterans Affairs*): Mr. Chairman, I am very happy to be here. Although I cannot stay very long. I am particularly happy to welcome the National Council of Veteran Associations in Canada. They are no strangers to me. I know most of the delegation individually. Of course, we all know of the work which the national council has been doing. For years they have attended practically all the meetings of our veterans affairs committee. They have rendered great service to us in the advice they have given.

This afternoon I am particularly pleased to welcome my good friend Colonel Baker, whom I have known for many years. He is. I am sure, well known to all of you, if not personally, certainly by reputation. Colonel Eddie Baker is one of our outstanding Canadians, a man who has devoted his life to his comrades. Ever since he returned from the first world war, Colonel Eddie Baker has been working on behalf of those who need the assistance and help of organizations and governments. We are indeed very proud to have him here again today.

I might say that Colonel Baker not only has national recognition as an outstanding man but he also has international recognition. His life has been an example of what men with a great affliction circumstances.

Colonel Baker, we are indeed very proud to welcome you. I am also very pleased to welcome my good friend Judge McDonagh, who has also been giving very great service to veterans across Canada.

To all members of this delegation, may I say we are very pleased indeed that you are here with us. We have already had Colonel Baker some of your

representatives, Colonel Baker, here previously this session. Possibly there will be some repetition in your submission. That is one thing we do get in the veterans affairs committee, so we do not mind that.

I wish also to extend a very hearty welcome on behalf of the committee. I can assure you we have a very good committee, one which pays very close attention to representation. They will not agree with everything you present in your brief. I am sure you are not altogether expecting that. We will be pleased however to listen to and study your representations and give them whatever consideration we feel we can.

Mr. E. A. BAKER (*Chairman, National Council of Veteran Associations in Canada*): Mr. Chairman. Mr. Minister and gentlemen; it is very heartening to have a welcome from this committee. Some of us have met with many committees down through the years. Generally speaking, I would say we have found a broad area of mutual understanding. Also we have realized that the committees were impressed, but that perhaps when they got back to bat on the budget they might not find it possible to do all the things they would have liked to do. However, we realize that is inevitable.

We will not take much of your time today. I think, in order to expedite the proceedings, that I might first introduce the vice-chairman of our national council, Judge McDonagh, and have him introduce and identify the members of the delegation present. Then we will get down to business.

Mr. F. G. McDONAGH (*Vice-Chairman, National Council of Veteran Associations in Canada*): Mr. Chairman, Mr. Minister, and gentlemen, from the Canadian Paraplegic Association we have Ken Langford and Andy Clark; from the Sir Arthur Pearson Association of War Blinded we have W. Dies and F. Woodcock.

Mr. HERRIDGE: Would they mind standing up?

Mr. McDONAGH: Andy, of course, being a paraplegic, cannot stand up. From the War Amputations of Canada we have A. Piper, W. Brown, and R. Turner; from the War Pensioners of Canada we have John Black and myself; from the Army, Navy and Air Force Veterans in Canada we have J. P. McNamara and J. P. Nevins; from the Hong Kong Veterans, L. Hurd; from the Canadian Corps Association. E. J. Parsons. That, gentlemen, is the delegation.

Mr. BAKER: Mr. Chairman, may Judge McDonagh proceed with the brief?

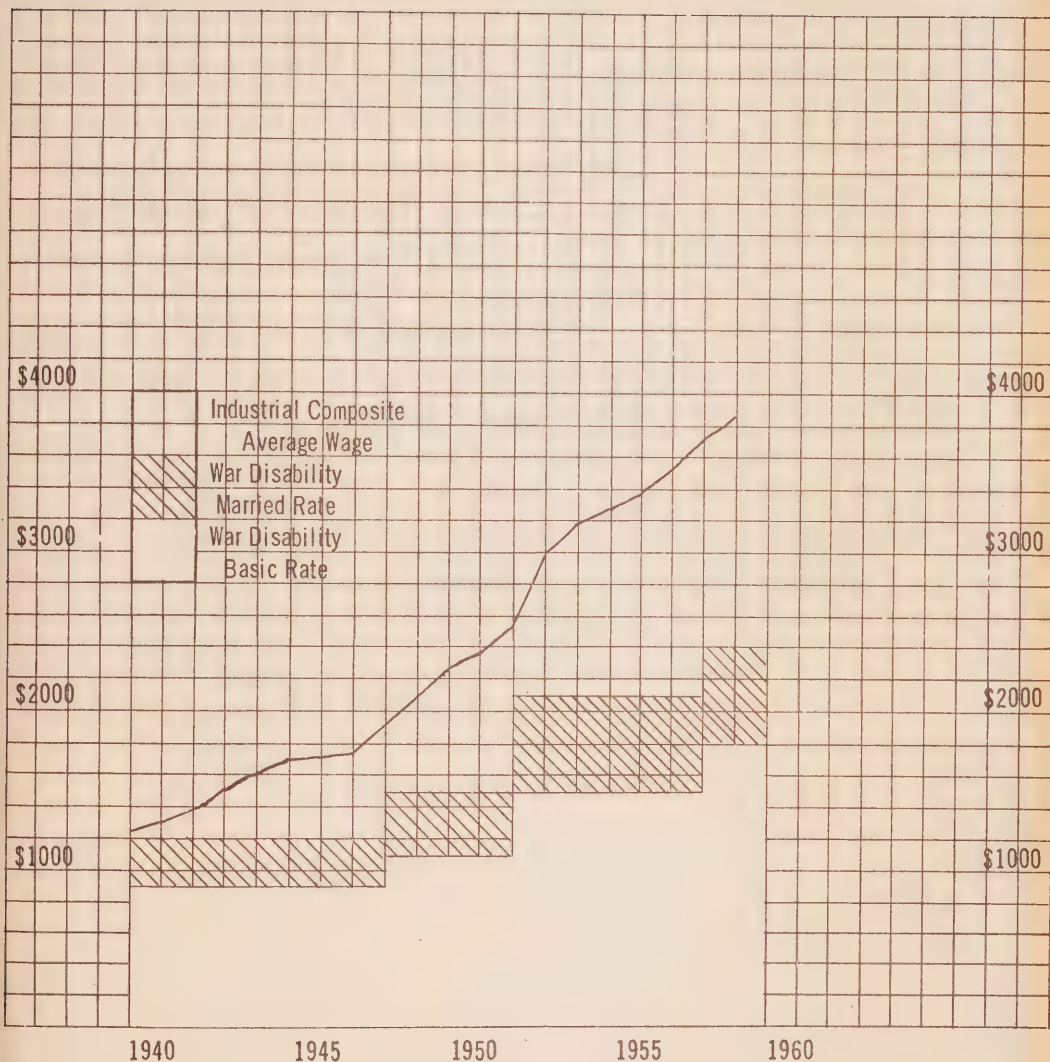
The CHAIRMAN: Yes. We are ready to hear the brief.

Mr. McDONAGH: —

Mr. Chairman and gentlemen: this submission is made by the National Council of Veteran Associations on behalf of the following member organizations:

	Organized
Army, Navy & Air Force Veterans in Canada	1840
Canadian Corps Association	1934
Canadian Council of Industrial War Veterans Assoc.	1952
Canadian Paraplegic Association	1945
Hong Kong Veterans Association	1946
Sir Arthur Pearson Association of War Blinded	1920
The War Amputations of Canada	1920
War Pensioners of Canada	1922

We are grateful for this opportunity to meet with you for the purpose of presenting resolutions affecting pensioners and their dependents, hospital treatment and war veterans allowance recipients.



**A COMPARISON OF WAR DISABILITY COMPENSATION AND
THE INDUSTRIAL COMPOSITE AVERAGE OF WAGES AND SALARIES
1939 - 1959**

Some of the representations being presented herewith have been included in presentations by this council in previous years. Some have been included in previous presentations by member organization of this council to this committee. We emphasize the fact that any resolutions presented in the name of this council carry the unanimous agreement of all member organizations. We have enjoyed the confidence and cooperation of the minister and staff of the Department of Veterans Affairs, the chairman and staff of the Canadian Pension Commission and the chairman and staff of the War Veterans Allowance Board. However, we recognize the fact that the department and all concerned with veteran's welfare must operate within the limits of legislation and established regulations; hence, our recommendations.

1. Recommendation:

"That the present rate of war disability compensation (i.e. pension) payable under Schedules "A" and "B" of the Canadian Pension Act together with attendance allowance be increased by one third".

Comment: In recent years the economic condition of the seriously war disabled has worsened in comparison with that of their fellow citizens. The accompanying chart is illustrative of this trend as compared with the Department of Labour's industrial composite average of wages and salaries. To rectify this situation, we suggest that the basic rate of the single veteran with 100 per cent disability be not less than \$2400.00, and that the allowances for wives and children under schedules "A" and "B" and attendance allowance of the act be increased proportionately.

Attached to the next paragraph is a graph with the industrial composite average wages and salaries, and a comparison of war disability compensations. You will note that starts in 1939 when the weekly wage multiplied by 52 was \$1,220, whereas the married rate of war disability compensation from 1939 to 1947 was \$1,200. If you go up to 1958 you will find the average yearly wage has increased from the rate in 1939 to \$3,650, whereas the married rate of war disability compensation has increased only to \$2,400.

A study of the graph very definitely brings it home.

STANDING COMMITTEE

Department of Labour

Industrial Composite Average Wages and Salaries

(Labour Gazette Table C-1)

	Average Weekly Wage	Yearly Wage (weekly wage, times 52)
1958	\$70.20	\$3650.
1957	67.70	3520.
1956	64.18	3340.
1955	60.87	3160.
1954	58.88	3060.
1953	57.30	2980.
1952	54.13	2810.
1951	49.61	2480.
1950	44.84	2330.
1949	42.96	2230.
1948	40.06	2080.
1947	36.19	1880.
1946	32.48	1690.
1945	32.04	1660.
1944	31.85	1650.
1943	30.79	1600.
1942	28.62	1490.
1941	26.65	1380.
1940	24.94	1290.
1939	23.44	1220.

War Disability Compensation

	Basic Rate	Married Rate
1957 - 1959	\$1800.	\$2400.
1951 - 1957	1500.	2040.
1947 - 1951	1128.	1500.
1939 - 1947	900.	1200.

2. Recommendation:—

"That on the death of a married pensioner, the pension, including wife's allowance, be continued for a period of one year at married rates".

Comment:—The economic adjustment that must be made by the widow on the death of her husband requires some time to complete. A sharp reduction in income on first of the month following the death of her husband, leaves the widow facing a financial crisis before she is able to make necessary adjustments. For this reason we recommend continuation of the pension at married rates for a period of twelve months.

3. Recommendation:—

"That widows of the high disability imperials with 20 years' residence in Canada be granted a widow's pension".

Comment:—The Canadian widow whose husband served with the British rather than the Canadian forces is placed in a most unsatisfactory position. Some of these women are Canadian by birth; others have made Canada their home for many years. We would suggest that 20 years' residence in Canada should enable them to qualify for widow's pension on the same basis as widows of disabled Canadian servicemen.

4. Recommendation:—

"That the portions of sections 20, 21 and 22 of the act which relate to the death of a pensioner, classes 1 to 11, caused by the negligence of some person, be deleted from the act."

Comment:—When a pensioner, classes 1 to 11, is killed as a result of the negligence of some person, Canada receives the damage settlement or judgment of a civil court, because under these sections the widow is required to elect if she will keep the amount of the settlement or judgment and suffer a reduction in pension which she has as of right under the act, or turn the whole settlement or judgment over to the Receiver General of Canada. If she turns the money over, there is no provision whereby the pension commission may allow to her what is known as special damages; i.e., hospital, funeral, ambulance charges or damages to an automobile in which the pensioner may have been riding.

5. Recommendation:—

"That section 4 of the Children of War Dead (education assistance) Act be broadened to include children of war disabilities, classes 1 to 11, regardless of the cause of death of their fathers".

Comment:—In order to clear any obscurity and inadequacy in the application of this section of the act, we believe that a specific amendment is essential.

6. Recommendation:—

"That action be taken to emphasize the responsibility of the Canadian Pension Commission in their administration of Section 70 of the Pension Act, so that all reasonable inferences and presumptions shall be drawn in favour of any applicant for pension".

Comment:—The benefit of the doubt section, No. 70 in the Pension Act, was incorporated nearly 30 years ago to overcome difficulties of applicants for compensation in respect to disabilities related to war service. The onus of proof was on the claimant, while the government of Canada was custodian of records. Frequently records were missing due to enemy action, accidents in transit, etc. While this clause appeared to operate fairly well in earlier years, it would seem that the escape hatch is still open.

7. Recommendation:—

"That the term 'War disability compensation' be substituted for the word, 'pension', wherever the latter appears in the present Pension Act which provides compensation for the war disabled of Canada".

Comment:—We have been making this recommendation for a number of years and the further away in years we get from the brutal impacts of war, the more important we feel is the necessity of the change from 'pension' to 'war disability compensation'. Public understanding in respect to the war disabled is a highly important factor. In the public mind there is a clear understanding of the term 'compensation', while the term 'pension' is commonly applied to old age security, superannuation allowances, etc.

8. Recommendation:—

"That war disability compensation cases in classes 1 to 11 be afforded treatment and hospitalization without charge by the Department of Veterans Affairs for any condition."

Comment:—While hospitalization costs are now covered for most veterans by the department and/or provincial hospital insurance plans, this does not apply to veterans in the province of Quebec, nor do the insurance plans cover

the costs of medical and surgical fees. We greatly appreciate the general improvement in hospitals provided and maintained by the Department of Veterans Affairs and the present extent to which the benefit of the doubt is being applied in treatment cases. This recommendation is intended to aid substantially in closing the gap for serious disability cases where hospitalization and treatment is required for conditions which cannot be directly related to war service.

9. Recommendation:—

“That the present war veterans allowance permissible income of male and female recipients and orphans be increased as follows:—for single recipients from \$1,080. per annum to \$1,440.; for married recipients from \$1,740. per annum to \$2,000.”

Comment: While the question of permissible income has been the subject of various recommendations, it must be fairly obvious that war veterans allowance at current rates affords a very limited level of subsistence. No provision is made for emergency or extras. The provision for supplementary income from small pensions or casual earnings is so limited as to be generally inadequate. Special assistance in cases of emergency may be obtained for second war servicemen from benevolent funds for first war ex-servicemen, the canteen fund of Ontario is about the only source available in that province, but no such source is available in other provinces. We strongly recommend the higher level for permissible income.

10. Recommendation:

“That Item 4 under schedule A and item 4 under schedule B of the War Veterans Allowance Act be amended to read, “blind war veterans allowance recipient, or married veteran with a blind spouse”.

Comment: This resolution seeks to compensate the acknowledged added cost with respect to blindness, for blind war veterans allowance recipient, on the same basis as war veterans allowance recipient with blind spouse.

11. Recommendation:

“That the war claims regulations be amended to provide for the payment of \$1.50 per diem per man for forced slave labour by the Japanese from the war claims fund to the Hong Kong ex-POW's”.

Comment: This resolution was presented, accompanied by substantial authoritative detail and references to the Geneva Convention of 1929 which Japan signed and which outlined in certain detail the treatment of prisoners of war. The full text will be found in the proceedings of this committee dated March 9, 1959, commencing on page 88. Since 50 cents per day only has been allowed to date, this request is for an additional \$1 per day to be paid from Japanese funds held by Canada.

In regard to that recommendation, Captain Hurd has an explanation to give, if the committee will permit.

12. Recommendation:

“That Remembrance Day be made a statutory holiday.”

Comment: While the subject of this resolution has been discussed on many occasions, it was our conclusion that it should be drawn to the attention of this committee and the government of Canada. Those who survived service in two wars and their children are not likely to forget. Likewise, those who lost a relative or friend are not likely to forget. Certainly those who are disabled have a daily reminder. The intent of this resolution is that, through public recognition of a given day, Canadians now and henceforth, who may

not otherwise be aware of the services and sacrifices in two wars, shall be reminded at least annually. This would apply particularly to youth in schools.

13. Recommendation:

"That the principle of veterans' preference be retained for employment in the Civil Service of Canada."

Comment: Since periodic reviews of the Civil Service Act of Canada occur, we believe the members of this committee and the government of Canada may be reminded of the loyal and effective service rendered in times of war and peace. It is our earnest hope that those ex-servicemen and women who may still qualify for positions in the Civil Service of Canada may be afforded the opportunity through the veterans' preference provision.

Conclusion

We conclude this presentation with a very sincere expression of gratitude for this opportunity to officially meet and become acquainted with the members of this committee.

Throughout the years the member organizations of this council have endeavoured to serve their members faithfully and to cooperate with the Department of Veterans Affairs, the Canadian Pension Commission, the War Veterans Allowance Board and all concerned with the welfare of ex-servicemen and their dependents. We have recognized our responsibilities as veterans and as citizens. We feel certain that you will give due consideration to our recommendations and any other recommendations calculated to relieve the problems of ex-servicemen and their dependents.

The CHAIRMAN: Thank you very much, Judge McDonagh, for your presentation. Colonel Baker, have you any supplementary words to add?

Mr. BAKER: Well, Mr. Chairman and gentlemen, I think from this point on I would prefer, with the agreement of your committee, sir, simply to have questions asked, possibly taking the resolutions in order. There are one or two statements to be made and we would like to have our representative who is particularly interested make his statement as we come to the resolution in question. If that is in order, we might take the brief, resolution by resolution.

The CHAIRMAN: That sounds like a very good procedure, Colonel Baker. In regard to the supplementary statements, I think if the gentlemen concerned would refer to the specific recommendation, it perhaps would be the more orderly way of proceeding.

Mr. BAKER: Would you like to have these statements at this time?

The CHAIRMAN: I think it would be better to go along item by item. Gentlemen, that brings us to recommendation No. 1, which you have before you in the brief.

Mr. McINTOSH: Before you come to recommendation No. 1, may I ask two questions?

The CHAIRMAN: Yes, proceed, Mr. McIntosh.

Mr. McINTOSH: I am wondering why the Canadian Legion does not belong to this organization.

Mr. BAKER: Do you want me to comment?

The CHAIRMAN: Yes, you are the expert.

Mr. BAKER: In 1930 we had what was known and often referred to as the "big five": The Canadian Legion; the army and navy veterans, as they were then; the war blinded; the war pensioners and the war amputees. As a matter of fact that group sat in at the presentation of the original War Veterans Allowance Act during that session of parliament. That group carried on for several years, almost to World War II. Then early in World War II we

endeavoured to reorganize the group and get it functioning again for purposes of a united war effort. At that time the other organizations who were in or have since come in managed to establish the group set-up, but the Canadian Legion at that time felt they could not second their resolutions as passed at conventions to any form of compromise in such a set-up. We have carried on as a national council, but we made certain stipulations to our members. They are as follows: (1) We wanted no more public controversy between any member organization of our council; (2) We wanted no public controversy between any member organization of our council and the Canadian Legion; and (3) We would cooperate with the Canadian Legion whenever we could on their approach to us or our approach to them. Now, that is the situation.

Mr. McINTOSH: My second question, Mr. Chairman, is in regard to the Canadian Corps Association; what is that?

Mr. McDONAGH: Well, there is a representative of it here. I happened to sit in. You may remember in 1934 when Toronto was celebrating its one hundredth birthday there was a grand veterans reunion in Toronto; the Canadian Corps Association grew out of that.

The CHAIRMAN: Any further general questions on recommendation 1, to do with increase in pensions, and so on?

This seems to parallel recommendations we have had from other veterans' groups and we have had fairly comprehensive discussions.

Mr. BAKER: With your permission, Mr. Chairman, I would like to say a word.

The CHAIRMAN: Certainly.

Mr. BAKER: I do not want to delay the committee, but some of us, gentlemen, have been in the picture from fairly early days.

Our first Canadian blinded soldier to return to Canada arrived back in March, 1916,—A. G. Veitch of Nova Scotia,—and was placed on the old South African rate of \$22 a month blindness disability. When I came back to Canada there was no Pension Act in Canada yet. It eventually came into force in September, 1916. At that time the private's rate was \$50 a month and I, as a lieutenant, received \$75. They were all adjusted within the succeeding year or so to my level, and we all carried on at that rate until, I think, 1947.

Mr. McDONAGH: Until 1948.

Mr. BAKER: So I do not want you to think we have been a griping crowd, too seriously, or that the pensions were overdone, certainly in the earlier years.

Mr. HERRIDGE: Colonel Baker, is it correct to say that all veterans' organizations are unanimous in this recommendation with respect to the increase in disability pensions?

Mr. BAKER: In so far as I am aware, sir.

The CHAIRMAN: I think, Colonel Baker, comments such as those you have just made are very helpful. There are many new faces around the table here. It is always helpful to get some of the background that men such as yourself can supply.

Mr. BAKER: I appreciate that, sir. I recognize the fact that some members in this committee probably served during the same period as my sons.

The CHAIRMAN: That is right.

Mr. F. WOODCOCK (*Sir Arthur Pearson Association of War Blinded*): Mr. Chairman, may I add something?

The CHAIRMAN: Yes.

Mr. WOODCOCK: I think there is one point, Mr. Chairman and gentlemen, that has not been brought out here, and that is that any resolution or recom-

mentation under the name of the National Council of Veterans' Associations must bear the support of all the member organizations. Otherwise a resolution is not put forward under the National Council's name.

The CHAIRMAN: Thank you, Captain Woodcock.

I hope, Colonel Baker, too, you will have an opportunity to meet the men following the committee this afternoon. They are not all as youthful as you indicate; there are even a few bald heads around the table here.

Mr. HERRIDGE: That is not an indication of age.

Mr. WEICHEL: It is an indication of high living.

The CHAIRMAN: That is recommendation 1. We pass on to recommendation 2.

Mr. McINTOSH: While talking about the resolutions, Mr. Chairman, some of these resolutions I recognize, but there are one or two regarding which I may have missed the meetings; or they may be new resolutions. I wonder if Colonel Baker could point out which ones are resolutions that have not been presented by other organizations. I think the last one is No. 13.

Mr. BAKER: Yes.

Mr. McINTOSH: Probably I should wait until we come to No. 13. I wonder what prompted that resolution?

Mr. McDONAGH: That is the one on the civil service.

The CHAIRMAN: I think, proceeding in an orderly way, if we have considered the recommendation earlier then it is just a matter of drawing your attention to it and passing on.

Recommendation No. 2; have we any questions?

Mr. ROGERS: Mr. Chairman, on No. 2, on the death of a married pensioner the widow now gets one month's pension, is that right?

Mr. McDONAGH: She gets paid for the current month, the month of death: if he dies on the second she gets the balance of the month; and if he dies on the 25th she gets the balance of the month also.

Mr. HERRIDGE: Colonel Baker, has your group had personal experience of hardship caused by the failure of the pension being continued for some period?

Mr. BAKER: Yes, we definitely know of instances. Where there are house commitments and mortgages to be paid, or other adjustments, the widow is left pretty flat, and all the lady got was often completely absorbed. They are placed in the position of a forced draft adjustment, which is often expensive from the standpoint of any reserves.

Mr. WEICHEL: Mr. Chairman, is that a question under the 50 per cent we are now talking about?

Mr. BEECH: It says, "on the death of married pensioner". I think that is widows who would normally be entitled to a pension after the death of the husband.

Mr. McDONAGH: This resolution, if I may explain it, includes all married pensioners. The presentation of the Sir Arthur Pearson Association brief dealt with 100 per cent pensioners, and I believe class 1 to 11. The matter was discussed at the national council meeting, and it was decided that we should present it to this committee in this form.

Mr. WEICHEL: As one of the 80 per cent pensioner myself, I understand, if anything happened to me, my wife would receive \$115 a month, and that is why I am asking this question.

Mr. McDONAGH: May I answer that?

The CHAIRMAN: Yes.

Mr. McDONAGH: She would, but she would not receive your pension for a year.

Mr. WEICHEL: No, that is right.

Mr. McDONAGH: Whereas under the war veterans allowance, I believe the recipient, or the widow, has the continued sum for a year.

Mr. BEECH: This is something new, and I do not think we have seen this before, including all the married pensioners. This is something new.

The CHAIRMAN: The Sir Arthur Pearson presentation had a recommendation along these lines, I believe, Captain Woodcock?

Mr. WOODCOCK: Yes, we did, Mr. Chairman, and I think I pointed out to the committee at that time this resolution was actually born in the homes of some of our own widows. It was our feeling it should have been passed on to the pensioner, plus the helplessness allowance; and when it was suddenly reduced—and if I recall the figures they were suddenly reduced by the sum total of \$2,000—it was a very drastic cut for a young widow to attempt, to which to adjust herself. That is the reason for that, Mr. Chairman.

The CHAIRMAN: Any further questions on recommendation No. 2? Can we proceed to recommendation 3, the widows of imperials with high disability?

Mr. HERRIDGE: Mr. Chairman, would Colonel Baker elaborate a little more on that? I do not think the committee are very well informed on these circumstances.

Mr. BAKER: May I ask Mr. Piper to comment on this?

The CHAIRMAN: Yes, Mr. Piper?

Mr. A. PIPER (*War Amputations of Canada*): I do not think that I am conversant with it, either, although it was included in our brief. Our former honorary dominion secretary, Mr. Blatchford, is present.

Mr. BAKER: Actually, Mr. Chairman and gentlemen, I think that this was intended to cover a group of widows who, either being Canadian born or having been in this country for 20 years, are widowed by the death of their husbands who happened to be on imperial pension. Obviously they are cut off now, and it does seem a very definite hardship. I think we make certain provision for the widows of ex-allied members, residents of Canada. I am not sure how far that goes; I am not too familiar with it. Do you know Judge McDonagh?

Mr. McDONAGH: That is under the War Veterans Act, if they have been resident in the country for ten years.

Mr. BAKER: But not in the case of widows of pensioners.

Mr. HERRIDGE: Could Colonel Baker or some other witness tell us, would not some of these widows be pensioned under the imperial pensions act? I am trying to get the situation clear.

Mr. McDONAGH: That is right. They are pensioned in the higher brackets of imperial pensions, but because of the nature of the service of their husbands, I presume from what the war amps told us, they did not come under the supplemental rates under the Canadian pension commission.

Mr. HERRIDGE: Could the encyclopedic Mr. Mutch give us that information?

Mr. MUTCH: I cannot answer that question, Mr. Herridge, as to what the reason for this resolution is, without more information.

Mr. HERRIDGE: You are not acquainted with the terms of the act?

Mr. MUTCH: I am not sufficiently sure of what is being asked for, to speak off the cuff. I am not certain yet what is being asked for. If it is supplementation of the Imperial widows' pension there is provision to supplement the imperial pensioners who were residing in Canada previous to their service; but

at the present time unless that condition is fulfilled there is no provision under the Canadian Pension Act to supplement the pension either of the husband or the widow.

Mr. HERRIDGE: Thank you.

Mr. FORGIE: Is there a provision in the Pension Act to pension the widow of a Canadian serving in the British forces during the war and who was killed in action?

Mr. MUTCH: If the pensioner, during his life-time, was entitled to supplementation to the Canadian level, then his widow would be entitled to the supplementation to the Canadian level.

Mr. HERRIDGE: What do you mean by that?

Mr. MUTCH: Those who served with the allied or British forces who were pensioned with the British or allied forces, and who returned to Canada after their service. They are entitled to have that pension paid by the British or allied powers supplemented to the Canadian rates while they reside in Canada. If they go back to, say, Britain or the United States, or anywhere else, that supplementation ceases.

I think that the suggestion is that those widows of pensioners who are, in their lifetime, not eligible to supplementation, but who have lived in this country for 20 years or more, should be treated as though their husbands' pension in his lifetime had been supplemented. If that is what is being asked for, then, no provision exists in our act, at the moment, to permit us to do that.

Mr. BAKER: I was going to suggest, Mr. Chairman, we would be pleased to have the war amps, who presented this resolution to us, forward a supplementary statement to you, for the information of the committee.

Mr. HERRIDGE: I think that would be most helpful, to make it clear to me.

The CHAIRMAN: I think that would be the best way of getting the problem cleared up, in view of the fact we have no spokesman for this group here.

Mr. ROGERS: What is meant by "high disability, imperials with 20 years residence"? What does that mean?

Mr. McDONAGH: Clauses 1 to 11 under the Canadian Pension Act.

The CHAIRMAN: Are there any other questions on recommendation three? If not, let us move on to recommendation four. This was considered at an earlier meeting. Are there any further questions?

Mr. HERRIDGE: It is a very similar recommendation, and a very sensible one too.

Mr. McDONAGH: We think so.

The CHAIRMAN: Recommendation four suggests that the portions of sections 20, 21 and 22 of the act which relate to the death of a pensioner, classes 1 to 11, caused by negligence of some person, be deleted from the act.

Mr. WOODCOCK: May I ask a question?

The CHAIRMAN: Yes, you may.

Mr. WOODCOCK: I wonder, in regard to this resolution, how far those of us who are in the major disability groups are wards of the state. I wonder as to myself or others that I could point out here, who are 100 to 200 per cent disabled and receiving 100 per cent pension, if, for instance, we became involved in a civil accident and lost both legs, what this legislation would do to the likes of us? Does it do the same thing as it does to the widow in this case? I would like someone to answer that.

The CHAIRMAN: That is a legal question, and we have some legal men here today.

Mr. McDONAGH: There is no question, I believe. The chairman of the commission will agree with me, that under the provisions of the act, if Captain Woodcock should lose both legs as a result of negligence, let us say, of a drunken driver, and was successful in maintaining an action for, let us say, \$30,000 damages, he would have to elect whether he would accept the gross award and take a reduction in pension, or turn the whole matter over to the receiver general of Canada and continue with his pension. I believe that is what the law says.

Mr. HERRIDGE: Might we have a concrete case?

Mr. McDONAGH: Yes, I have a concrete case. There was an 80 per cent pensioner who served with me in the Canadian corps battalion of cyclists in the first war. When he was in his little Austin car coming down from Barrie, he had to stop to adjust something at the back of his car. He got it fixed just as a sander passed his car, throwing up some dirt. He went to the side of his car, when he was immediately killed by a car which was following the sander.

His wife was sitting in the car at the time. That man was an 80 per cent pensioner. The matter was turned over to a lawyer who also was a member of the same battalion, and he acted for the widow. Finally the insurance company settled the claim for \$1,500.

As of right, then, the widow was entitled to receive \$115 per month. The matter had to be drawn to the attention of the pension commission under these sections, and the widow had to elect whether she would turn the \$1,500 over to the receiver general of Canada or take a cut in her monthly pension.

She turned the \$1,500 over to the receiver general of Canada and then her lawyer made a request of the Canadian Pension Commission for special damages amounting to somewhere in the neighbourhood of \$800, because the body of my friend had to be taken by ambulance from the scene of the accident to a hospital.

True, there was an allowance under the act for the funeral, but that widow had to pay the excess for the burial of her husband because there is no provision in the Pensions Act which would allow the pension commission to give the widow what we know in law as special damages, in this case amounting to \$800. So she had to pay that out of whatever reserves she had over the \$115 which she got. That is a concrete case.

Mr. McINTOSH: If the court had awarded a sum of money of a certain amount, let us say, for the death, would she have had to turn that over, or if the court had awarded a certain amount for the burial, would she have had to turn that over?

Mr. McDONAGH: I understand that is the interpretation followed by the Canadian Pension Commission in such a case.

Mr. McINTOSH: If special damages had been awarded to cover the cost of the ambulance, and so on, would the individual have to turn that money back to the one who paid it in the first place, because it was not used for that purpose?

Mr. McDONAGH: There is no discretion in the pension which she is paid.

Mr. BEECH: Is this not in some way putting these pensions on a means test basis?

The CHAIRMAN: Is that a question or comment, Mr. Beech?

Mr. BEECH: I think it is a question. That is the way it seems to me.

Mr. BAKER: I think I remember a case where the lady was married shortly prior to the Korean force departing from Edmonton. Shortly after that her

husband was killed in a train crash on his way to Vancouver. She was awarded \$8,500 and she turned it over to the receiver general on the suggestion of the Canadian Pension Commission. I think she finally solved her problem by getting married again a year or so later, in which case she lost her pension.

Mr. MUTCH: I know something about the Canoe river case. I would be the last one to suggest that my friend would not tell the whole story, but he implied something which is not quite true. He did not mean to imply it, but with the permission of the chairman I would like to speak to it for a minute.

This widow was very young. She had just been married. It is quite true that her husband was killed in the Canoe river accident. The commission, as it is enjoined by the act to do, instructed her to seek damages against the railway company. We are empowered to assume the financial obligations of such an action. So she did take such a decision. She was successful without suing, as you know,—that is, without going to court,—in getting damages. In her case she elected—not at the suggestion—and that is the point I want to make clear—not at the suggestion of the commission—not to accept the \$8,500.

If the commission were advising let us say a widow of 18 or 19 years of age, knowing the law of averages, we might well say: "take the money and then you will have it".

We did not, let me assure you, give any advice. There are two schools of thought: one is that if the widow who elects is very young, there is the possibility of her remarrying, and generally speaking the possibility is high. In this case, about a year, I think as it turned out.

If she gets \$8,500 and subsequently remarries, she has the damages in her pocket.

Mr. BAKER: I think she would marry much sooner if she had \$8,500.

Mr. MUTCH: In this case she took only a year. But if, as they sometimes do, they say to themselves: "I will never marry again as a result of this, and I think I will take the security for the rest of my life, or until such time as I do marry again", all I wish to say is that the Commission would twist nobody's arm. We do not seek to collect money for the treasury in such a case. If they elect to take the money, the pension stops, if the award is large enough. I would not like to leave the impression that the Commission in any way seeks to influence anybody to take a lump sum and forget the security.

Mr. BAKER: Something over \$800,000 has been collected under this item.

Mr. MUTCH: The last time I looked into it, it was close to \$900,000.

Mr. SPEAKMAN: This is a provision which should be very carefully looked at by the committee. We have to make a recommendation. We had a very lengthy discussion about this one, and I think we were in entire agreement that this should be looked at with a view to amending it.

Mr. McDONAGH: May I offer a quotation? I made some study of this and went back to the original Hansard of 1918, when I think the decision was taken by parliament; and in my opinion, from reading Hansard this was related to fellows who were in uniform and who were in the service of Canada at the time.

These people who are now out of uniform, 15 or 40 years, I submit, are in an entirely different position from those who were wearing the uniform of Canada. I thought it might assist you if I gave you this interesting case, but you have to go back to Hansard to see how the thing started for those who were in uniform. But during our preparation of this particular argument, the cases demonstrated, I think that every case was that of a person in uniform rather than one who was a civilian and out of uniform.

Mr. McINTOSH: That was the purpose of my question. I wanted someone in the department to answer and say when it was originated and what the purpose was, that is, to include these three classes in the act. Is there anyone here today from the department who is able to answer on this point?

Mr. MUTCH: I do not have the original date of the inclusion of this section, but from memory—and you may correct me if I am wrong—I think it was first in 1916 or 1920. Do you remember which, Colonel Baker?

Mr. McDONAGH: It was about 1918.

Mr. MUTCH: Yes, between 1916 and 1920; but as to the exact year I could not say.

Mr. McINTOSH: Can we take it that the departmental officials concur in the statement made by the organization, and that the explanation which has just been given is correct?

Mr. MUTCH: To the best of my memory, speaking only for myself, I would say it was initiated between 1916 and 1920. You ask whether I agree, or if the commission agrees?

Mr. McINTOSH: I do not want to put you on the spot, but I would like the department to answer why it was put in in the first place? There must have been some reasons for it.

Mr. MUTCH: The department is in no position to answer that, since it is solely under our act. The answer to that would have to come from a reading of the minutes, or of the orders in council, or the minutes of the committee which originally put it in.

Mr. BAKER: That would be a House of Commons committee under Mr. W. F. Nickle.

Mr. MUTCH: That was the first committee, was it not?

Mr. BAKER: I think so.

Mr. MUTCH: I was not interested in it then, and I do not remember who the chairman was. But Colonel Baker suggests it was W. F. Nickle.

Mr. McINTOSH: What year would that be?

Mr. BAKER: The first committee was operating in 1917 I know, and he was chairman of the committee of the House of Commons.

The CHAIRMAN: In any case, this information will be on the record, and it will be available for any research necessary in considering this recommendation.

Mr. MUTCH: It has been in the legislation during the whole time. I was busy elsewhere in 1917 and I was not here.

Mr. McDONAGH: The wording of the section was amended about 1944 because the Department of Justice gave a ruling to the commission that under the wording which then existed from 1918 to 1944, it was ultra vires, so they changed the wording to bring it within.

Mr. ORMISTON: When a widow receives an award, is the lawyer's fee deducted from it before it is turned over to the receiver general?

Mr. McDONAGH: In this particular case I have knowledge that the lawyer got his fee when the balance was turned over to the receiver general.

The CHAIRMAN: Have we completed our discussion on recommendation 4? Recommendation 5, "That section 4 of the Children of War Dead (education assistance) Act be broadened to include children of war disabilities, classes 1 to 11, regardless of the cause of death of their fathers". Is there any discussion on that recommendation, gentlemen? We have had this before us earlier.

Mr. HERRIDGE: It is a good recommendation.

The CHAIRMAN: Can we proceed to recommendation 6, "That action be taken to emphasize the responsibility of the Canadian Pension Commission in their administration of section 70 of the Pension Act . . ."?

Mr. WEICHEL: I think that is covered in pretty well all this, is it not?

The CHAIRMAN: Yes, we have had extended discussion on that point. Recommendation 7, "That the term 'war disability compensation' be substituted for the word, 'pension', wherever the latter appears in the present Pension Act which provides compensation for the war disabled of Canada". Any questions, gentlemen?

Mr. HERRIDGE: Mr. Chairman, the national council of veteran associations has brought that recommendation forward a number of times, and I am of the opinion that it is even more valid today than it was when it was first brought forward, because there are so many pensions issued now and there is confusion.

All these disabilities caused in industry are termed "compensation", not "pension". I think it is a very reasonable recommendation, and certainly will not cost the country anything. Surely we could do something which is as easily done as that.

Mr. WEICHEL: Mr. Chairman, with regard to recommendation No. 7, I understand that the main reason for that recommendation is because of the public understanding. The brief states, "Public understanding in respect of the war disabled is a highly important factor." I believe that warrants some change.

Mr. ROGERS: Mr. Chairman, I wonder if any thought has been given to calling it "war disability pension"? Why "compensation"?

Mr. McDONAGH: If I may answer that, Mr. Chairman. In the view of the national council, in the public mind "pension" relates to payment for services rendered, either by contribution to a superannuation or retirement fund by the individual or by the employer, or superannuation such as in the civil service.

In so far as the war disabled are concerned, it is an attempt on the part of Canada to compensate them for something which they have lost as a result of a disability, and the use of the word "pension" in regard to a war disability is something which we, as ex-servicemen, think should not be used. It has grown through the years, just as for years the table of disabilities referred to "helplessness allowance"; now it is "attendance allowance", which is much more sensible.

We think "war disability compensation" presents a better picture to the people of Canada, and also to the disabled. If he were injured in a province, and the employer was under the Workmen's Compensation Act, that is what he would get; it would be "compensation", not "pension".

Mr. FORGIE: Would the words "war pension" not be satisfactory?

Mr. BAKER: "War pension" is apt to leave the impression that it is a service pension, long-service or otherwise.

The CHAIRMAN: Are there any other questions, gentlemen? We will pass to recommendation 9, "That the present war veterans allowance permissible income of male and female recipients and orphans"—

Mr. HERRIDGE: We have not dealt with recommendation 8 yet; you have skipped 8.

The CHAIRMAN: Excuse me; yes. Recommendation 8, "That war disability compensation cases in classes 1 to 11 be afforded treatment without charge by the Department of Veterans Affairs for any condition".

Mr. HERRIDGE: Mr. Chairman, I am very interested in this recommendation especially when we can pay for the hospitalization of many others who are not veterans and have not served their country.

Have any members any information they can give the committee of destitute veterans who are unable to get into a veterans hospital?

Mr. McDONAGH: Mr. Chairman, I will answer the question and, if I may I am going to embarrass Colonel Baker. We are dealing here with classes 1 to 11. Of course, Colonel Baker is 100 per cent. Recently he spent five weeks in Sunnybrook hospital—not for his disability—but fortunately he had Blue Cross and he had that paid for.

But the general public think that a man without two legs, or two arms, or who is blind can get treatment for any condition. He has given everything to the country: the country has had the benefit of that. Yet if he goes in for a heart condition, having two legs off, he has to pay for the hospitalization. Of course, under the new hospital scheme that now exists for the province of Ontario, there may be a different situation here. But the war veterans allowance case has his hospitalization paid by the department at the present time.

Mr. HERRIDGE: And his medical expenses.

Mr. McDONAGH: And his medical expenses, yes. We think that the country has recognized that people in classes 1 to 11 have given much to the country, because the country has provided, in the Pension Act, that if that pensioner dies, his widow—regardless of the cause of death—gets pension.

We think it would relieve the financial burden carried by the wife and by the pensioner in classes 1 to 11 if we could help to keep him alive by giving him free hospitalization and treatment.

Mr. BEECH: Does that mean that you suggest he would be absolved from paying the insurance premiums?

Mr. McDONAGH: I would say “yes”, because we say, “without charge, for any condition”.

Mr. BEECH: You mention the province of Quebec, and I just thought it would not be on an equal basis unless you do it that way.

Mr. W. DIES (*Sir Arthur Pearson Association of War Blinded*): Mr. Chairman, I think it should be understood here that, living in the province of Ontario, I am protected by hospitalization so far as hospitals are concerned. But I contribute to it. Do not forget that. We still contribute. Although we get it, remember that it is not free at all; we contribute in the province of Ontario.

The CHAIRMAN: Are there any further questions, gentlemen? Could we move along?

Mr. HERRIDGE: Mr. Chairman, I have just one more question. Have any of the witnesses any experience of a destitute veteran who possibly only served 364 days in England—or any other classes—who is not entitled to go to a veterans hospital and who has been denied admittance?

Mr. E. J. PARSONS (*Canadian Corps Association*): Yes, I have. In November last year I buried one, under the Last Post Fund, in Rouyn. This man was 21 days short of the qualifying period.

In March this year I had one case of a man who was about two months short of the qualifying period for war veterans allowance. He was drawing a very small pension for an industrial accident, not a disability pension. Nothing that I could do put him under the War Veterans Allowance Act. I managed to get them hospitalized under the Quebec Public Charities Act.

Mr. HERRIDGE: Splendid.

Mr. PARSON: I am quite sure that had they been able to get better medical treatment—other than charity treatment—they probably would not have gone the way they did. I feel that way, particularly with regard to one. I know treatment was all he needed to keep him going.

Mr. HERRIDGE: In your opinion, he died prematurely because he was not able to get into a Department of Veterans Affairs hospital?

Mr. PARSON: I feel that way.

Mr. FANE: I have one case, Mr. Chairman. There was one case in my home town that was exactly the same. A man whom I had taken overseas in 1918 required hospitalization for some disability that could not be traced to service, and he was just 11 days, I believe it was, short of the required period of 365 days. He could not get war veterans allowance and he could not get hospitalization.

He was allowed into the Colonel Mewburn Pavilion in Edmonton, but he had to pay for all his treatment right through. That would come under that other recommendation.

The CHAIRMAN: Are there any further questions, gentlemen? Can we move along to the next recommendation? Recommendation 9 is, "That the present war veterans allowance permissible income of male and female recipients and orphans be increased as follows: for single recipients, from \$1,080 per annum to \$1,440; for married recipients, from \$1,740 per annum to \$2,000". Are there any questions, gentlemen?

Mr. FANE: Mr. Chairman, I would like to know how those amounts of \$1,440 and \$2,000 were arrived at.

Mr. McDONAGH: Mr. Chairman, I do not know whether Mr. Parsons is in a position to explain this or not, because it came from the Canadian Corps Association.

As you will recall, when Mr. Harpham was here you asked him that same question. The only way we can figure out where they get the \$1,440 is \$120 a month, which works out to \$1,440. The \$2,000 is the exemption under the Income Tax Act.

Mr. MCINTOSH: This is not actually a pension; it is war veterans allowance?

The CHAIRMAN: It is a means test allowance.

Mr. MCINTOSH: Then my question is this: what circumstances must exist before a pension is granted, or war veterans allowance, and what does he have to prove?

The CHAIRMAN: Colonel Garneau is with us and can answer that question.

Mr. F. J. G. GARNEAU (*Chairman, War Veterans Allowance Board*): It is based on two conditions, outside the question of eligibility. First of all, he must have served in a theater of actual war or be in receipt of a pension of 5 per cent or more: that is under the Pension Act.

If in good health, he must be 60 years of age or, if a widow, she must be 55 years of age. But if his or her health is claimed not to be good, then entitlement is determined following medical examination, medical certificates, and so on. It is assessed generally by the board of review, and they are examined pretty carefully. On the weight of medical evidence then given, the award is made, or declined, accordingly. That is just a very sketchy explanation.

Mr. MCINTOSH: I was thinking more of the financial position.

Mr. GARNEAU: The financial position is that they be deemed to be in necessitous circumstances. That is fairly generous, too, I suggest, since the regulations and the Act permit a recipient to have \$2,000, if married. He is permitted to have up to \$2,000 in personal property and assets, and that is to the exclusion of his own home in which he resides, the value of which is exempt up to \$8,000.

In the case of a single veteran—and that applies also to widows—it is \$1,000 in personal assets, bonds or investments of any kind. In a case where he has \$1,000 in cash, bonds or personal property he or she is eligible for war veterans allowance.

Mr. McINTOSH: Did I understand you to say he must first be a pensioner?

Mr. GARNEAU: No, that is one of the alternatives for service qualifications. It must be either theatre of actual war or, in lieu of that, a pension of 5 per cent or more awarded by the Canadian Pension Commission for disability.

Mr. WEICHEL: He must also serve for 365 days.

Mr. GARNEAU: That is another exception. That only applies to service in England for veterans of World War I. They must have served in England. This was amended in November, 1957. They must have served 365 days in the United Kingdom in order to qualify.

Mr. WOODCOCK: Would not a man also qualify if he has dual service?

Mr. GARNEAU: Yes. If he served in both wars even if he has not had any service in the field of actual war but has served in Canada during two wars, that makes him eligible.

Mr. McINTOSH: What is the situation in respect of his home?

Mr. GARNEAU: That has been increased from \$6,000 to \$8,000 following the amendments of a year and a half ago.

Mr. McINTOSH: Originally it was \$6,000?

Mr. GARNEAU: Yes. It is now \$8,000.

Mr. McINTOSH: Has it been changed in these figures here?

Mr. GARNEAU: No. It still stands there since November 1, 1957, when the last amendments were made to the War Veterans Allowance Act. It was \$6,000 and the exemption is increased to \$8,000.

The CHAIRMAN: Captain Hurd has a comment here.

Mr. L. HURD (*Hong Kong Veteran*): I would like to ask the colonel if there is a clause in the War Veterans Allowance Act in respect of the applicant who has applied, and it has been proven he had a dishonourable discharge?

Mr. GARNEAU: That applies to the dual service veteran only who has not served in a theatre of war and who is not a pensioner but who qualifies solely on the fact of service in two wars.

Mr. HURD: But a dishonourable discharge does not disbar him?

Mr. GARNEAU: If it is the last discharge he received in either war is dishonourable, it disqualifies him. For instance—and I will not elaborate on or belabour the point—if a man is enlisted and during his first enlistment in, let us say World War I, he is a deserter and is dishonourably discharged, but later, either as a result of being caught or thinking better of it, re-enlists and his second discharge is honourable, he is in; but if it is vice-versa, he is out.

Mr. HURD: Thank you.

The CHAIRMAN: Are there any further questions? We will move along to recommendation No. 10, "That item 4 under Schedule A and item 4 under Schedule B of the War Veterans Allowance Act be amended to read, blind war veterans allowance recipient, or married veteran with a blind spouse".

We had this before at an earlier meeting. Are there any questions at this time?

We will move along to recommendation No. 11 "That the war claims regulations be amended to provide for the payment of \$1.50 per diem per man for forced slave labour by the Japanese from the war claims fund to the Hong Kong ex-P.O.W."

Captain Hurd has a further statement at this time.

Mr. HURD: I wish to apologize for a misunderstanding. It was largely due to my poor manner in speaking when I discussed this point with the national council in Toronto prior to the drawing up of the brief.

The Hong Kong veterans wish to establish that our present brief backs up the brief we presented here on March 9. In other words, we would like to change what it says here. We would like to change "Japanese funds" to "war claims fund". As far as our Hong Kong veterans are concerned, we have not yet had any recognition of forced slave labour, which we claim at \$1.50 a day instead of \$1 a day. I hope I have made that clear. If there are any questions, I will attempt to clear them up now.

Mr. HERRIDGE: That clears it up very well.

Mr. MONTGOMERY: I do not think it clears it up to my satisfaction.

Mr. HERRIDGE: We do not often agree anyway.

Mr. MONTGOMERY: You would give the world away; you are good-hearted. I gather this \$1 here is not what you are asking. You are asking for \$1.50?

Mr. HURD: Yes; that is for forced slave labour which we claim. Up to this point, to my knowledge, our government has not recognized forced slave labour. What we received prior to this was under the maltreatment award.

While I am here I would like to thank all of you for giving us so much attention when we presented our brief on March 9. My colleagues and I very much appreciate the time you spent with us, the questions you asked of us, which were perfectly in order, and the valuable information that Colonel Lalonde and his assistants have given us, as well as Mr. Theriault of the War Claims Commission.

Mr. WINKLER: Do I understand that the wording was changed in the recommendation to read, "the war claims fund," as it now stands? Would you again mention what that was changed from?

Mr. HURD: What we have in the brief today mentioned Japanese funds. I would rather it be changed to "war claims fund", which we had in our original brief on March 9.

Mr. WINKLER: What is the implication there?

Mr. BAKER: I think it means that the Japanese funds in this country are exhausted; are they not?

Mr. HURD: That is what I understand.

Mr. WINKLER: That is also exactly what I understood. The further question which that poses, I think, would be that the Hong Kong prisoners—I do not suggest they are not entitled to it, but I think it would involve the funds of Germany and so on which exist.

Mr. HURD: I do not know, but perhaps the Japanese funds—I never saw the accounting of it—possibly were far more than we claimed for; I do not know. That has never been made public. I cannot answer how much was Japanese funds and how much was from other places.

Mr. WINKLER: To return to my original thought, there are quite a number, I would say, of ex-prisoners of war from German camps as well who should be entitled to this fund. Would I be right in saying that?

Mr. HURD: We have always agreed. We did not wish to be unfair to any other prisoners of war in other theatres of war. As I stated on March 9, the Hong Kong veterans considered that altogether they had suffered very bad treatment and our medical records at the time when we arrived in Canada showed we had been under very bad treatment. We agree that deserving cases in other theatres of war should be the same as we are. I understand they had to prove their case.

Mr. WINKLER: Recently I have endeavoured to obtain some information in regard to the status of the health of ex-prisoners of war and, unfortunately from the information which I have been able to obtain, I cannot back up your statement in that regard. Having been a prisoner of war myself, I feel this group as well should be considered. I do not wish to discriminate, but I feel they are equally entitled because from the medical evidence that can be produced today there is not any differential in the conditions of the two groups, so far as health or treatment is concerned. I do not propose to put forth any argument that the Hong Kong veterans or ex-POW's do not have a more difficult time; that is outside of my thought.

Mr. HURD: I think this was practically based—and if anyone finds me wrong please correct me—on the American procedure. They gave all their prisoners, especially those in the Far East, preference to the European. I do not wish to argue the point as to whether they were right or wrong. I am not in a position to argue what is just. That is not up to me.

Mr. WINKLER: Well, I endeavoured to do this spot of research in favour of deserving types in both regards, and the evidence that has been produced for me today, or that I can produce for you, is such that it shows that one group is in no worse situation than the other.

Mr. HURD: I am sorry; that was not the understanding we had when we first received the award back in 1950.

Mr. WINKLER: Possibly not then; circumstances may have changed. I can produce the information in this regard which I have in my files.

Mr. HURD: We feel we should have been paid this years ago, and not wait until now.

Mr. WINKLER: I think our group does too.

The CHAIRMAN: I think Mr. Winkler and Captain Hurd could continue this discussion at a later time.

Mr. WOODCOCK: May I get in on it afterwards?

The CHAIRMAN: I hope all the members of the committee will remain long enough to meet with the members of the delegation who are here this afternoon. Would you like to carry that on privately, Captain Woodcock?

Mr. WOODCOCK: As an ex-German prisoner of war, I would, yes.

The CHAIRMAN: Are there any further questions in regard to recommendation No. 11; if not, we will proceed to recommendation No. 12—"that Remembrance Day be made a statutory holiday".

Mr. HERRIDGE: I am very sympathetic with this recommendation, but I do not like the word "holiday". I wonder if the committee would consider that Remembrance Day be made a statutory memorial day and come under the legislative provisions covering holidays.

Mr. BAKER: I accept your suggestion, sir.

Mr. BEECH: I would like some clarification in connection with this matter. It seems to me that already Remembrance Day is practically a holiday.

Mr. McDONAGH: I may explain how it got before us. If you read your report, Mr. Beech, in connection with the civil service, you will find that there was a recommendation in the report that Remembrance Day be not considered a statutory holiday for employees of the government of Canada, and that is what started it. We think if anyone should recognize the holiness of Remembrance Day, it should be those who serve the government of Canada.

Mr. BEECH: I made my inquiry because last year I had occasion to take this matter up with the Secretary of State. I was asking why parliament should sit on Remembrance Day and they told me it was definitely a statutory holiday. I wanted to make that clear.

Mr. WEICHEL: Is this the first time that all of these organizations have agreed on a statutory holiday? I know there has been a lot of controversy, with some being in favour and some not. Some fellows say to me that on the holiday a lot of these fellows go fishing; they do not stay here. They go away instead of staying here. If we could arrange some way of getting every veteran to stay here, I am 100 per cent behind this.

Mr. WINKLER: I might remind Mr. Weichel we are living in a democracy. I would like to have a definition of the status of November 11 right now for the benefit of the new members. Recommendations are being made of what we can do to further the position of this day as Remembrance Day, and have it observed throughout the country. It is my opinion it is a statutory holiday but it is rather left to the discretion of the municipality for observance. Is this exactly as it is?

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): Mr. Chairman, I can provide a bit of information in connection with this point. Under the Remembrance Day Act there is a provision enacted by Parliament that Remembrance Day is a statutory holiday. But, as you say, we are living in a democratic country and I think it has been left more or less to the discretion of the people locally as to how they observe it. So far as I know, there have been no prosecutions under that act.

Mr. WINKLER: Naturally in the course of time and so on, we accept certain holidays as holidays. They are accepted on the basis of national holidays. Possibly in the course of time November 11 will be too. But I think that we as the veterans affairs committee in the House of Commons should take steps to endeavour to have it observed from one part of the country to the other, that is from the Atlantic to the Pacific. I think the sooner we do it, the sooner people will appreciate the sacrifice that was made for the democracy that we enjoy.

Mr. E. J. PARSONS (*Canadian Corps Association*): The railroads are typical employers of labour, and I might say that I was an employee for a number of years. Just prior to November 11, we would get a bulletin from our headquarters in North Bay—the same thing applies to the Canadian National Railways as applies to the Canadian Pacific Railway and I think a large majority of other employers of labour—which starts out: monthly rated employees will be given sufficient time away from their duties to attend any ceremonies at the cenotaph between the hours of 10 a.m. and 12 o'clock noon, without deduction of pay. Then it goes on to say: hourly rated employees will not be paid for any time away from their employment. This brings up a touchy question every November 11. In fact, we let them go, with our eyes closed; but hourly rated employees at the present time are penalized for any time away from the job.

Mr. WINKLER: I am not suggesting that anything which I have said should develop into a debate here. I am not making the suggestion that this be done or promoted by this committee in the hopes, or even thinking, that anyone would take advantage of the situation to claim a free day's pay. I am sure you all know what I mean. The same situation could most certainly exist with any other holiday we celebrate in the year—much more so than in the case of some of them. Surely the significance of a number of them has gone by the board, even some of our sacred holidays; and I think the time has come that in all justification we should endeavour to promote November 11, without its being taken advantage of in any way, shape or form, for the purpose for which it should be celebrated.

Mr. McDONAGH: It may be of assistance to the committee if you would actually check and find out how Remembrance Day came into being. I think there are only a few in this room who took an active part in it. It was known

as Armistice Day, and it is one case where the whole veteran movement petitioned parliament and the Senate to change it from Armistice Day to Remembrance Day. The arguments we used at that time convinced parliament. I think it might be of great assistance to the committee if this was looked up.

Mr. WEICHEL: Of course, talking about democracy, I am 100 per cent in favour of that, but when we have some people telling us that Remembrance Day should be on the nearest Sunday, or we have school teachers telling us the holiday should be excluded from school, I think it is time the old veterans stepped on the gas. After all, a great number of these fellows who are doing this talking are not even veterans.

I believe it is a very important issue to everybody because today the children in our schools are the children of the veterans of World War II. They are the boys and girls who remember what their dads did. But others probably do not, and it is a good idea for them to know or to realize just what Remembrance Day means.

The CHAIRMAN: Any further questions on this recommendation No. 12? Can we move to recommendation No. 13, maintenance of veterans preference?

Mr. McINTOSH: I was wondering if the delegation would explain what prompted this resolution. Have they had any indication there is going to be a change, or that this provision is going to be eliminated from the act?

Mr. BAKER: I think the general reason for bringing up this question at this time was that we were aware that the Civil Service Act was up for possible amendments, and I think that probably this may be regarded as precautionary.

Mr. McDONAGH: The resolution included in the reports which are handed to the Civil Service Commission is that the veterans preference be amended or deleted.

Mr. HERRIDGE: It has been suggested in various places that it was about time to change it, even from outside.

Mr. JOHN BLACK: In view of the conditions that do exist today, I think it should be kept in more so than ever before, because things are starting to slide a little for some of the veterans.

Mr. WEICHEL: Not generally, you agree?

Mr. JOHN BLACK: I am one of the fortunate ones at the present time, whom it does not actually hit; but it will hit others as time goes on.

Mr. MONTGOMERY: May I ask a question?

The CHAIRMAN: Yes, Mr. Montgomery.

Mr. MONTGOMERY: I think there has been talk and we have heard of a points system in preference to the system we now have. Do you have any comments to make on that?

Mr. NEVINS: That is in the civil service report this year and, if I recall it rightly, they recommend five per cent. In other words, I think, whatever his mark is he gets five per cent more added on.

Mr. MONTGOMERY: What are your comments on it?

Mr. NEVINS: We feel it should be held as it is.

Mr. MONTGOMERY: You would keep it as it is?

Mr. NEVINS: Yes, it does not affect a man when he comes up for promotion; and once a man is in the civil service he is on his own and has to compete with ability. But we do not think it is going to affect too many at the present time.

Mr. HERRIDGE: I remember once when I was in the provincial legislature, they had a points system and it caused a lot of checking up on documents; and I happened to observe that a certain veteran did not get preference, while

another did. The way it was done, it was made certain that he would get five per cent, but it was made sure the other marks would not qualify him; and so he was kept out in that way. That is the danger.

The CHAIRMAN: Any other questions? If not that concludes the brief. We have had a very excellent discussion, Colonel Baker and gentlemen.

As we indicated at the commencement of our meeting today, the presentation of the council has been somewhat in the form of a grand summary.

Before we dismiss, gentlemen, I would remind you that on Wednesday we have a very special meeting at the Sunnybrook hospital. I believe you have the details of our arrangements for that day. We leave from the front of the building at 8:30.

Mr. FORGIE: We have not the details out yet.

The CHAIRMAN: We will be in front of the building promptly at 8:30 a.m. so let us arrange our schedules accordingly.

Mr. WEICHEL: Before we adjourn, as an old amputee and as this may be the last opportunity, may I thank these gentlemen for the excellent services they have given throughout the years. They have made a wonderful contribution to the veterans from time to time, and I think this is probably a good time to thank them. I know how much pay some of them get, and I am sure it is a thankless job a good many times.

The CHAIRMAN: We heartily endorse that sentiment.

Mr. BAKER: Mr. Chairman and gentlemen, we are most grateful to you for your very kind and patient hearing; and I hope you will not feel we have wasted your time. Certainly, it has been a grand opportunity for us to become acquainted with you. I am sure that some of you, at least, are greatly impressed by the second war group appearing here, although we miss some of the old World War I horses who used to function. Thank you.

The CHAIRMAN: Thank you, Colonel Baker.

Mr. HERRIDGE: Correction: some of them are still functioning.

—The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

Physical &
Applied Sci.
Materials

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 14

LIBRARY

JUN 9 1959

Bill C-50, An Act to amend the Veterans' Land Act

MONDAY, MAY 25, 1959

WITNESSES:

Mr. Lucien Lalonde, Deputy Minister, Department of Veterans' Affairs;
Brigadier T. J. Rutherford, Director, Soldiers Settlement and Veterans'
Land Act; and Messrs. A. D. McCracken, Senior Administrative Officer;
T. T. Taylor, Director, Legal Services; and H. C. Griffith, Superintendent
of Construction.

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.,
and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (<i>Kings</i>)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

ORDERS OF REFERENCE

WEDNESDAY, May 20, 1959.

Ordered,—That Bill C-50, An Act to amend the Veteran's Land Act, be referred to the Standing Committee on Veterans Affairs.

Attest.

LÉON J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

MONDAY, May 25, 1959.

The Standing Committee on Veterans Affairs met at 4.00 p.m. this day. The Chairman, Mr. Dinsdale, presided.

Members present: Messrs. Batten, Carter, Clancy, Dinsdale, Fane, Forgie, Herridge, Jung, Lennard, MacEwan, MacRae, Matthews, McIntosh, Montgomery, O'Leary, Pugh, Speakman, Stearns, Thomas, Weichel and Winkler—(21).

In attendance: Mr. Lucien Lalonde, Deputy Minister, Department of Veterans Affairs; Mr. T. J. Rutherford, Director, Soldiers' Settlement and Veterans Land Act; Mr. F. T. Mace, Assistant Deputy Minister; and Messrs. A. D. McCracken, Senior Administrative Officer; H. C. Griffith, Superintendent of Construction; T. T. Taylor, Director, Legal Services; W. Strojich, Superintendent, Property Division; J. Falardeau, Chief Treasury Officer; W. F. Thomson, Acting Superintendent, Supervision and Collection; and W. G. O'Brien, District Superintendent, VLA Edmonton.

The Chairman observed the presence of quorum, and asked for a motion to establish the number of copies to be printed of the Committee's Minutes of Proceedings and Evidence.

On the motion of Mr. Weichel, seconded by Mr. Herridge,

Resolved,—That, pursuant to its Order of Reference of February 17, 1959, your Committee print 900 copies in English and 200 copies in French of its Minutes of Proceedings and Evidence in relation to Bill C-50.

On the motion of Mr. Montgomery seconded by Mr. Speakman,

Resolved,—That the Committee next meet at 3.30 p.m., Wednesday, May 27.

The Chairman called Clause 1, of Bill C-50, An Act to amend the Veterans' Land Act, and introduced Mr. Rutherford who in turn introduced his assistants.

Mr. Rutherford outlined the purposes of the various proposed amendments to the Act contained in the Bill.

Mr. Dinsdale being called from the room, Mr. Montgomery took the Chair and presided over the meeting until his return.

The Committee considered individually, and adopted Clauses 1 to 19 inclusive. Mr. Rutherford, assisted by Messrs. McCracken, Lalonde, Taylor and Griffith answered questions.

Agreed,—That on Monday, June 1 the Committee hear representations relating to the Veterans' Land Act from the Canadian Association of Real Estate Boards.

At 6.10 p.m. the Committee adjourned to meet again at 3.30 p.m. Wednesday, May 27, 1959.

J. E. O'Connor,
Acting Clerk of the Committee.

EVIDENCE

MONDAY, May 25, 1959
3.30 p.m.

The CHAIRMAN: We have a quorum, gentlemen; in fact, we have a very good quorum. We have been busy in the House of Commons because of an extended question period, so we are slightly delayed in starting. If we can extend our sitting from an hour and a half to two hours today, I think we will make good progress on the main item of business which is consideration of Bill C-50, an Act to amend the Veterans Land Act.

Before we proceed to discuss the Bill, may we have a motion dealing with the printing of the committee report? I have a suggested motion here, if we could get someone to move it and second it: That, pursuant to its order of reference of February 17, 1959, your committee print 900 copies in English and 200 copies in French of its Minutes of Proceedings and Evidence in relation to Bill C-50. Is that number satisfactory?

Mr. WEICHEL: I so move.

Mr. HERRIDGE: I second the motion.

The CHAIRMAN: Moved by Mr. Weichel; seconded by Mr. Herridge. All in favour? It is approved. We are running into a "log jam" with the number of committee meetings during the rest of the week. Normally, we would sit on Thursday, but Thursday has at least 5 committees sitting already. I am wondering if we could consider sitting on Wednesday or Friday. Have we any expression of opinion?

Mr. LENNARD: It is bad enough sitting on Monday: why hold the committee on a Friday?

The CHAIRMAN: We have a choice of Wednesday or Friday.

Mr. LENNARD: You will not get a baker's dozen.

Mr. MONTGOMERY: Mr. Chairman, would you like a motion?

The CHAIRMAN: Yes: if there is a motion, we can perhaps have our discussion around the motion.

Mr. MONTGOMERY: I move that we meet Wednesday afternoon at 3.30.

The CHAIRMAN: Gentlemen, we have a motion that the committee sit on Wednesday afternoon at 3.30. Have we any seconder?

Mr. SPEAKMAN: I second the motion.

The CHAIRMAN: Seconded by Mr. Speakman. Have we any discussion? All in favour? Contrary, if any? It seems to be generally agreed that we will meet on Wednesday afternoon at 3.30.

Now, coming to Bill C-50; is there any other matter that we should discuss before we proceed to the bill? We have the officials from the veterans land act branch with us. Brigadier Rutherford, perhaps it would be helpful to the committee if you could make a general statement outlining the intentions and the purposes of the amendments. At the same time, it might be helpful if you could introduce the members of the branch who are supporting you here this afternoon. I am sure the members of the committee would be interested in becoming personally acquainted with these gentlemen.

Brigadier T. J. RUTHERFORD (*Director, Soldier Settlement and Veterans' Land Act*): Gentlemen, on my right is Mr. "Art" McCracken, who is head of the administration division; Colonel Griffith—who is head of construction;

Mr. "Bill" Strojich, who is head of the property division; Mr. John Falardeau, who does not belong to our staff but who is our treasury officer; Mr. "Bill" Thomson, who is head of supervision and collection; and Mr. George O'Brien, who is here from Alberta and who is the district superintendent there.

The bill now before you, gentlemen, I know is rather complicated, as is also the act which it amends. For this reason, as a prelude to your discussion of the bill it was considered a good idea to give you, in general terms and without reference to the wording of the act, what effect the proposed amendments are intended to have. I think that is probably the simplest way to do it, I will not refer to the sections of the act.

Part 1 of the present act is the original Veterans Land Act of 1942 as amended in 1946, 1949 and 1954. The principal amendment to this part was made in 1949 and provided for second establishments where the first property proved unsuitable or where the veteran had to move for other reasons.

The proposed amendments to this part are embodied in clauses 1 to 12 of the bill now before you and are largely of an administrative nature. In the main, they provide for:—

A more expeditious method by which a veteran may convert his agreement to the type of contract entered into by the director with civilian purchasers and which the veteran may then assign to a civilian if he wishes without passing on any of the special benefits properly applicable to veterans only.

Provision is also made to use the proceeds from rentals for the same purposes as proceeds from a sale; and to enable the director to use the proceeds from the sale of livestock and equipment for the purchase of land; the present provision being too restrictive. There is also a provision for a more expeditious application of sale and lease proceeds to a veteran's account.

There is a provision that Indian veterans settled on other than Indian reserve lands and who repay with interest all money expended on their account, may be resettled on reserve lands—or vice versa. Provision is also made permitting a veteran who has a special contract, authorized by governor in council under section 23 and who repays all money dispensed on his account, to be resettled on provincial land if he so desires.

There is a provision to include any security held for loans under Part III in the existing requirement that a veteran must insure, and pay taxes on, property held as security; and for the increase from 3½ per cent to 5 per cent in the interest rate chargeable on any advance the director makes to pay insurance or taxes in cases where the veteran fails to do so.

There is a provision that provincial advisory boards, which deal with rescission cases, may sit outside their own provinces in those few places where V.L.A. district boundaries extend beyond those of the province in which the board has jurisdiction.

The bill also provides that the last date of qualification for settlement under Part I, V.L.A., will be September 30, 1962, or fifteen years after discharge, whichever is the later. This follows the recent amendment to the War Service Grants Act.

There is also a provision for the settlement of expropriation disputes in an equitable manner where a veteran purchasing land from the director demands what is considered an unreasonable compensation from the expropriating authority, taking advantage of the fact that he has a contract with an agent of the crown which is not subject to forcible taking.

Then we go on to Part II of the act.

Part II was added to the act in 1954 and has to do with home construction on lots of any size. There is no direct subsidy provided for in this part, but neither is the veteran required to forfeit his re-establishment credit in order to qualify. The provisions of this part followed closely a recommendation of the Canadian Legion who, realizing the savings effected by small holders

through the "Build Your Own Home" program, asked that V.L.A. construction schools, house plans, supervision and interest-free advances during construction, and certain legal services be made available to veterans wishing to build their own homes on city-sized lots. This has proved a popular and worthwhile addition to the act.

Since the purpose of this part was to encourage home ownership by those who were finding difficulty in financing by other means, the amount which could be advanced was kept reasonably low in order to encourage a large owner-labour content and thus reduce monthly payments to a point where they could be more easily met. The maximum advance is now \$8,000 and, as security for this, the veteran must transfer to the director, title to the lot on which the house is to be built, or pay for such lot if it now belongs to the director.

The advances made by V.L.A. during construction are paid out of a revolving fund. This fund is reimbursed from the proceeds of a mortgage given by the veteran to C.M.H.C. at the time title to the lot, with completed house, is conveyed to the veteran.

The amendments to this part are contained in clauses 13 to 19 of the bill. They provide for an increase in the amount available during construction from \$8,000 to \$10,000 and the removal of the limitation that advances must not exceed 85 per cent of the estimated value of the house and lot; it having been found that these never actually reach this amount. This increase in advances during construction would appear to be amply justified by the increased costs of construction and the improved building standards now in effect. The larger loan will, of course, increase the veteran's monthly payments but, if there is a good labour content, payments on a property worth \$12,000 should not exceed \$65 per month.

The bill also contains a provision for the assignment of a Part II construction contract to another veteran in cases where the first veteran, for some reason, is unable to complete the house; and also for the completion and renting by the director of an uncompleted house—any rents collected to be treated as if they were proceeds of sale and applied to the veteran's account.

The bill also provides that the veteran, if he is in a position to do so, may repay the director in cash all or part of the money advanced under the construction contract, in which case a mortgage to C.M.H.C. will not be required or, if required, may be for an amount less than the approved N.H.A. loan. At the present time, a mortgage has to be drawn for the amount of the loan as originally approved.

The amendments to this part also include a provision which will permit the director to assist a veteran who wishes to build a home on a property which he holds under a long-term lease provided, of course, that the leasehold interest is assigned to the director as security during the period of construction.

This part of the bill also provides that where the lot on which the veteran wishes to build is already owned by the director and has a market value considerably in excess of its cost to the director, which cost is the normal sale price to veterans, the director may take an interest-free, self-liquidating second mortgage for the amount of such excess and, as long as the veteran remains on the property, the director may forgive annual payments due on such mortgage. This precaution is taken to ensure that advantageously priced lots now owned by the director are used to provide permanent homes for veterans and not for speculative purposes. The difference between cost and market value is, in some cases, considerably more than the conditional grant which a small holder would earn under Part I, provided he remains on the property for ten years.

It is also proposed to remove the present bar in Part II against veterans who were given allowances for more than nine months' university training. This is for the reason that there are no direct cash benefits under Part II.

Part III

The present part III was added to the act in 1954 and, like part II, followed a recommendation made by the Canadian Legion. It provides for additional loans to small holders and commercial fishermen at the time they are settled under the act, and to full-time farmers either settled or to be settled.

Clause 20 of this bill is an almost complete rewrite of part III of the act in an attempt to bring up to date with present conditions.

This clause proposes that the additional 5 per cent part III loan presently available to small holders and commercial fishermen be increased from \$1,400 to \$3,000; while, at the same time, the additional contribution required from the veteran be increased from \$700 to \$1,000. This makes available a total of \$10,000 in place of the present \$8,100.

Since about the year 1949, due to rising costs, the loan available to small holders and commercial fishermen has always been inadequate. This inadequacy, however, has been compensated for by the introduction, in 1950, of our "Build Your Own Home" program. This program has proven very successful. Over 16,000 of our V.L.A. houses have been built under it, and last year 91 per cent of all our house construction was by veterans acting as their own contractors, and at very considerable savings to themselves.

The provision in 1954 amendments for an additional \$1,400 loan restored the approximate "cost to loan" ratio which existed when costs were at their 1949 level. It is now considered that the increase proposed in this bill would again restore this ratio.

These additional loans to small holders are only available at the time of settlement, since part IV of the National Housing Act provides for home improvement loans of up to \$4,000, and such loans, by arrangement with C.M.H.C., are available to veterans settled under V.L.A.

Now, gentlemen, we come to the most important part of this act, and I would like to give you an outline of it and a little of the thinking behind these amendments, because I know you will want to give a great deal of consideration to this part, as it goes quite a long way.

By far the most important amendment proposed in this bill is the one providing for a very substantial increase in the part III loans available to veterans certified to be qualified as full-time farmers, and who are now, or who may be in the future, settled under part I of the act. This is an amendment which is generally considered to be long overdue since the lack of adequate credit has, for many years, been a very serious handicap to our V.L.A. farmers. In this part I crave your indulgence if I take time to go into some of the thinking behind its provisions which I believe to be important to your consideration.

Since V.L.A. was enacted 17 years ago, the capital required to set up an economic farm unit in Canada has greatly increased. As the supply of farm labour at wages which the farmer could pay had dried up, he was forced to fully mechanize and, in order to put his new equipment to economic use and make enough to pay for it, the farmer found it necessary to buy more land and, because many were looking for land at the same time, the price of good, well-situated land went up. These factors, coupled with the inflationary trend, soon made V.L.A.'s \$6,000 look very small indeed, and many men who would have made good farmers had to be turned away because they did not have enough capital of their own to pay the excess required to buy anything even approaching a good unit.

Statistics show that the capital required for each gainfully-employed worker in agriculture, is now between three and four times what it was when the Veterans' Land Act was passed and, as a matter of interest, it is also about three times what is required in other industries.

While almost every agricultural economist has a slightly different idea of what constitutes an economic family farm unit, there is little difference of opinion as to the essentials and, for our purposes as a lending agency, we have adopted a rather simple one, that is to say,

An organized assembly of farm land, farm buildings, livestock and equipment which can be managed and operated by the owner and his family and which, under his management, will produce enough net income to pay three-quarters of its cost with interest amortized over a period of 30 years, pay the cost of good maintenance, and leave enough to supply the farmer and his immediate family with a typical Canadian standard of living.

With this definition in mind, the limiting factors can be approximated in any case. The unit must not be so large that the owner and his family cannot supply the necessary management and labour required while, on the other hand, it must not be so small that the unit will not pay off the indebtedness against it, with interest, within the term of the loan, pay for adequate maintenance, and afford the operator and his family a good standard of living. In the case of a particular operator, any unit which falls between these two dimensions may be considered an economic family farm unit, while anything that does not is either too large or too small.

Generally speaking, with labour costs where they are today and given equivalent marketing facilities, the specialized family sized economic unit is still, in my humble opinion, the unit of optimum efficiency. Not everyone agrees with this statement but, given good management or fair management and good supervision, I still believe that it is true, integrated and corporate organizations not excepted.

The minimum cost of setting up an economic family farm unit, depending on the standard of living set by the part of the country in which it is situated, varies today within the range of twenty-five to forty thousand dollars. Very few Canadian agricultural economists would say it could be less but the majority, I am sure, would put it at more, so this figure is quite conservative.

Canada started her veteran farmers with \$6,000 at a time when Australia and New Zealand were lending their veteran farmers five thousand pounds and the United States were spending the equivalent of a maximum V.L.A. loan on training their veteran farmers, who then, if they desired, used the normal government farm credit facilities which provide $4\frac{1}{2}$ per cent loans up to 90 per cent of value and for a 40-year term.

The fact that V.L.A. farm loans were kept so low was no doubt due to rather disappointing and costly experience after World War I, when less than half of those settled ever received title and only a little more than half of the money loaned was repaid. However, among those who stayed on the land and obtained title are to be found some of Canada's leading farmers. They had to be good to succeed.

Had there been an opportunity to fully analyze the reason why some soldier settlers were outstandingly successful while the great majority either never obtained title or did so only after write-downs in the price ranging as high as \$7,000, I have little doubt that much larger loans would have been made available to V.L.A. farm settlers from the beginning. However, under the circumstances, there is little wonder that there was hesitation to risk more capital on individual loans.

The result was that the veterans land administration entered the farm credit field with a maximum loan of \$6,000 available on excellent terms but entirely inadequate for the setting up of a minimum farm enterprise, except in those cases where the veteran had very considerable additional funds of his own. V.L.A. also entered the credit field at a time when the conventional

type of farm organization had already become obsolete. These two factors left the administration no other alternative—if settlement were to proceed at all—but to buy into an industry whose set-up was already obsolete and to buy units well below the average.

Had it not been for the relatively favourable relationship which existed between farm costs and farm prices between the end of the war and 1952, as well as for the many opportunities for outside employment during that time, many of our farmers would never have been able to stay on their farms.

However, by 1952, when the "cost-price squeeze" hit agriculture in real earnest, our V.L.A. farmers—most of whom had been settled before the end of 1958—were in a position at least to hang on and, with the help and encouragement of our field staff, to meet their payments as well.

The fact that so many V.L.A. farm settlers were able to survive and meet their payments on inadequate units, is a matter of great credit to themselves and to the V.L.A. resident credit advisors who assisted them by making very sure they obtained the best possible value for the limited funds available, and seeing to it that, as far as time permitted, they were supplied with up-to-date information and personal guidance to assist them in the organization, planning and management of their units. This has paid off in permanency of settlement and an almost perfect repayment record. In fact, it can almost be said that, failing broader legislation under which to operate, many of our staff have done such good work that they have literally worked themselves out of a job.

As a result of personal contacts, the distribution of up-to-date information, organized study groups, and meetings, a large number of V.L.A. farmers already have a sound appreciation of what constitutes an economic family farm unit in their own area, how it should be organized, and how best to apply modern production-line principles to its operation. Many already have a sound plan and are only waiting for the necessary long-term "package-deal" credit to be made available in order to make it a reality.

The bill now before you provides for a maximum advance under part III of \$20,000 less any amount still outstanding under the part I contract or, alternatively, up to three-quarters of the value, for security purposes, of the farm, basic herd livestock, and farm equipment, whichever of these two alternatives is the lesser. In calculating the security value, 60 per cent of the total required must be in agricultural land.

Advances made under part III, which are now repayable on a 5 per cent amortized basis over the remaining period of the part I loan, and that is anywhere from 15 to 25 years at the present time, will, under the bill, be repayable over a period of 30 years.

This bill also provides that part III loan money which may now only be used for the purchase of land and improvements to land may, in future, also be used for the purchase of basic herd livestock and farm equipment necessary to the enterprise, and also for the consolidation of any debts which have been reasonably incurred for any of the purposes for which loan money may be expended, provided such expenditures have added value to the security commensurate with the money used for the payment and consolidation of such debts.

The bill further provides that in valuing farm land for security purposes, only its productive agricultural value will be taken; this assures that government money will not be loaned on the security of property held for speculative or other than agricultural and home use purposes. Where such other value exists in a farm property, V.L.A. would only finance such property to the extent of its agricultural value.

The over-all purpose for which part III loans may be used is stated in the bill as "to enable competent farmers to acquire economic farm units".

This is an important statement, since it indicates that the intention is to exploit success rather than to postpone failure.

If credit is to be advanced up to 75 per cent of the value of the entire unit (which is about what seems necessary for beginners), it is essential that a very careful estimate be made beforehand of the earning ability of the unit if operated by the applicant in accordance with his proposed plan. His ability to live comfortably and repay his loan with interest at economic rates within the term of his contract must be established before any credit is advanced and, if advanced, such credit must be sufficient to assure this result.

The security that the farmer will be required to give to cover such a loan, which will in most cases include his stock and equipment as well as his land, must be carefully appraised, and the expenditure of the credit money controlled to assure that it is put to its highest and best use in the assembly of a well-balanced economic unit. Under such circumstances, loans should not be obtained from more than one source, although this presents no great difficulty in the case of well-established farmers whose total borrowings would seldom, if ever, exceed 50 per cent of the value of the unit.

It is quite common today to find both lenders and borrowers approaching farm credit in a piece-meal way—credit for land by way of mortgage, for feeder cattle from banks, for new equipment from machinery companies, for feed from feed companies, and so on—this is not good and, where the equity is small in comparison with the total amount borrowed, it can be fatal. Such a farm should, if possible, be financed as a unit of operation. If it is not, and the equity is small, it will probably not be long until the farmer will be “robbing Peter to pay Paul”, and all too often end up in the hands of a finance company. We have seen that happen.

In the case of the one amortized loan, with stock and equipment as well as land taken as security, the farmer is, in effect, paying only interest on his land while paying off the part of the loan secured by stock and equipment, as payments are uniform throughout the entire term of the contract. This has very decided advantages for the beginner.

It is important, too, where pre-loan counselling and a degree of supervision are necessary—as they will be on most low-equity—that the farmer deal with only one person, and that that person be thoroughly familiar with all phases of the farmer's enterprise and the effect which the giving or withdrawal of credit at anytime might have upon it.

To use government credit to facilitate the setting up or continuance or uneconomic farm units would be to accentuate most of our farm and rural life problems. There would seem to be little doubt that the problems of low farm income and the difficulty experienced in disposing of the present surpluses of certain products, are very closely linked with the relatively high production costs which are fairly general in our agricultural industry.

It is also fairly clear that our high production costs are largely due to the fact that by far the greater number of Canadian farms are a long way from being economic units by present-day standards.

The transition from the old type of small, highly diversified family farm to the economically-sized, specialized type of family farm capable of using production-line methods and producing a standard, readily marketable product at minimum cost, has been very slow in most parts of Canada. This has been due to the lack of available capital with which to effect necessary changes in the size and organization of the farm units, and to a lack of appreciation on the part of a considerable number of farmers of the advantages of an adequate-sized and well-organized unit.

Lack of capital has also made it very difficult for farmers in the more adaptable areas to switch production from wheat and coarse grain (with their end products of flour, pork and poultry) to grasses and legumes (with end

products of beef, lamb, milk and cheese), and in so doing help to bring production more in line with present and future market requirements while, at the same time, extending and improving that most effective soil conservation practice which V. L. A. have consistently promoted, namely, grassland farming.

With our rangeland potential now almost fully exploited, any expansion in the production of beef and lamb must now take place on our more adaptable soils, and through a rather extensive switch from grain to grasses and legumes.

Historical and present consumption trends show beef to be a preferred food item whenever and wherever people have extra money to spend on food, and when the price is not too high in relation to other foods. This trend in eating habits is encouraged not only by prosperity and natural preference, but more and more by the medical profession who are doing much to encourage greater consumption of foods produced from grasslands, namely, beef, lamb, milk and cheese as against foods produced from cereal grain.

If the requirements of this increasing demand are to be met by home production, it will involve a considerable switch from the production of grain to grasses and legumes.

From a surplus disposal standpoint, the important consideration here is that it takes up to eight times as much of the same type of adaptable land to produce the same number of food calories in the form of beef as in the form of wheat or other cereal grain. However, the change in eating habits, while already very marked and continuing, will never be so complete as to reflect anything like this differential. It is, nevertheless, a very important consideration and one which farm planners must always keep in mind.

This switch from grain to grasses and legumes should be largely confined to our more adaptable soils, both east and west, and would leave the production of wheat very largely to those lower moisture areas of the prairies where wheat is about the only economic crop but where, on large farms of comparatively low-priced land and with modern equipment, it can probably be produced more cheaply than anywhere else in the world.

The fact that this changeover is not progressing more rapidly has been largely due to the unavailability of the farm credit needed to carry it out. This credit is required for the purchase of additional land and basic herd livestock, for changes in equipment, and for the construction of the fencing, loose housing shelters, feed storage bunkers, and watering facilities necessary for a cattle or sheep enterprise.

While the soundness of our Canadian agricultural economy during the next couple of decades will be very dependent upon the availability of sufficient farm credit to effect its voluntary reorganization into economic units, the food required for our rapidly rising standard of living and expected increases in population will probably, by the end of that time, begin to tax our available land resources to the extent that beef, with its high land requirements, will become more and more a luxury food—as it has long been in most parts of Europe and Asia where the masses must be satisfied with vegetables, fruit, cereal grain, and perhaps a little pork or fowl for special occasions.

The assembly, under a competent operator, of each new, economically-sized family farm unit brings Canadian agriculture just one more step nearer to the objective of non-subsidized parity income for farm operators, and of production costs which will assure the home market to our farmers, as well as a fair profit on surplus products in the markets of the world.

A system of supervised "package deal" credit so set up and administered as to assure that it is used to exploit success and not to reinforce failure, that it is sufficient for its purpose of setting up an economic family unit, and that every dollar of such credit is expended to good advantage would seem to be the only formula for getting the majority of Canadian farms on a profit-assuring, production-cost basis and producing a standard, readily marketable product.

That the net income on individual farms could be increased by at least 50 per cent and production made to conform more nearly to future market requirements were ample supervised "package deal" credit available to competent young farmers, is well established by the survey covering 5,000 of our farm settlers in all provinces which we recently conducted for the purpose of ascertaining the future credit needs of our farmers, and to find out what changes they would make in their production pattern were more credit made available to them at the present time with which to effect such changes.

Some may think that to increase the maximum loan from the present \$9,000 to \$20,000 is a long step to take at one time; others may believe that, under the conditions now prevailing, it is not going far enough. My personal opinion is that so long as the maximum loan is limited to 75 per cent of the sound value of the security held, the dollar ceiling could well be left out of the legislation, provided the purpose of the loan is clearly stated as being the establishment of an economic family farm unit. The guide as to the upper and lower limits of such a unit in any particular area and for any particular farm family is the value of a unit which will meet the requirements as stated in the definition of a family farm unit. The amount of the loan will then be the amount of additional capital required to set it up but not to exceed 75 per cent of the value of the acceptable security.

The bill, as it now stands, reads, "economic farm unit", leaving out the word "family"—which, if added would, in my opinion, constitute a most effective limit for the purpose of the act.

There may also be a difference of opinion as to the maximum ratio of loan to the value of the security taken. The bill fixes this at 75 per cent of the agricultural value of the real property and the resale value of the basic herd livestock and farm equipment, provided at least 60 per cent of such value is represented by real property.

It has been our thinking that, with the financial requirements for an economic family-sized unit being what they are, 75 per cent, while necessary, is not too high, provided that part III loans are only made to competent operators and only for the purpose of setting up family-sized economic units, and that certain very important conditions, as set out in his application form, are accepted by the farmer applicant as conditions precedent to the granting of his loan.

These conditions, which it was found difficult to embody in the bill, will be put forward as regulations for approval by the governor in council immediately after this bill has been approved. I think it is important and only proper that you should consider the bill in the light of the conditions which we intend to put forward in the regulations so that you may make your recommendations accordingly. These conditions are:

- (1) That the farmer bring forward, at the time of his application for credit, an acceptable plan for the organization and operation of his unit, which plan he agrees to follow.
- (2) That the farmer agrees to keep proper records and to submit annual operating and net worth statements.
- (3) That the farmer agrees not to incur substantial debts or borrow money from other sources without the knowledge and consent of his credit advisor.

These conditions would apply only to loans in excess of 65 per cent of the value of the real property held as security and, in the case of larger loans, only until they had been reduced to this amount.

In order to assure that good farm operators can be put on a sound economic basis early in life—which is very important to our economy—it is necessary to widen the basis of security and to lend up to a higher percentage

of its value. It is, therefore, necessary to require the farmer to comply with conditions similar to those required when an individual or company borrows considerable money to start a business, in which case, the lending agency requires an acceptable prospectus and annual operating and net worth statements and, if large amounts are being borrowed in relation to the security, assurance that major borrowing will be from one source only until the business is on a sound financial footing.

By far the most important condition precedent to the granting of a "package deal" loan is the veteran's plan for the organization and operation of his expanded unit. This plan, to be acceptable, must satisfy the lending agency that, if the extra capital applied for is made available, the farmer's income will become, and continue to be, sufficient to pay the loan with interest during the period of the contract and, at the same time, maintain the security at least at its present value and afford the operator and his family a satisfactory standard of living—which should not be less than the typical income for people making a similar contribution to the economy in his own area.

To be able to make this type of calculation and to make it with reasonable assurance that it will stand up, is the most difficult and important task for which V.L.A. credit advisors have been trained, because it is on these calculations—which include a carefully made appraisal of the property and the applicant—that loans must be granted or rejected.

Our men are also trained, and are now well experienced, in assisting farmers in preparing plans for the organization and operation of their units. Much of their time is spent on this and in going with the farmer to visit successful and well organized operations. In the final analysis, however, the plan must be the farmer's own and completely acceptable to him, since he is the man who has to make it work.

Only a few years ago, substantial credit of the nature now suggested would have been looked upon by many of our farmers—and even by some of our field staff—as a burden of debt. Today, from what I gather from talking with our credit advisors and from letters received from farmers, of which I get a number almost every day, substantial long-term credit is looked upon by most as essential to their ultimate success.

With the exception of about 10 per cent of our farmers who should, according to our recent nation-wide survey, be operating only as small holders with the majority of their income from other sources, and another three per cent who should now be encouraged to sell out and get into some other type of endeavour, V.L.A. farmers now represent a group of comparatively young men who have proven their worth as agriculturists. As in the parable of the talents—"they have been found faithful over a few things."

Many of these started, of course, with considerable additional capital of their own and they, along with a surprising number of others who have been outstandingly successful, do not require additional long-term credit. However, I would say that, in the case of the large majority of our V.L.A. farmers, the lack of substantial long-term credit is now all that is holding them back from setting a pace for Canadian agriculture in the establishment of sound, economic, family farm units operated on a production-line basis with greatly reduced costs and production well adjusted to present and future market requirements.

The need for a more adequate and adaptable system of long-term credit has been so great, and its advantage to the economy so apparent, it has seemed to those of us who are working in the farm credit field that provision for adequate supervised "package-deal" credit for our more capable farmers in the younger age group would be made sooner or later.

That the administration of such a program would require a thoroughly trained and experienced staff built into a streamlined and adaptable organization was evident, and if such were not available, this would be a serious limiting factor in its success.

With this in mind, and as early as 10 years ago, V.L.A. started to train and organize for the handling of very much larger loans if and when parliament, in its wisdom, decided that the time for these had arrived.

This was just the type of training we needed for the work we were, and still are, doing but since our farm settlement, even in 1950, was running down, and since the on-the-job training program which we laid on was rather strenuous, some long-term incentive had to be held out to maintain this tempo since much of the work had to be done by staff on their own time and without extra remuneration.

If the extra farm credit proposed in this bill is made available, I am most happy to say that I can assure you, Mr. Chairman, that this administration now has a staff which can take this work in its stride. This applies not only to our credit advisors in the field, but also to the men and women in our offices who keep the work in our operating channels flowing smoothly, and to our senior officials who assist me in the development of policy and the making of major decisions. I know what their training and experience have been. I know how much of themselves they are prepared to give to their work. I can assure you that they are good. If they were not, I would hesitate to recommend this type of credit legislation since so much of its success will depend on the manner in which it is administered.

Thank you, Mr. Chairman and gentlemen.

The CHAIRMAN: Thank you, Brigadier Rutherford, for your comprehensive statement. With a statement of that kind it seems to me that our general discussion on clause 1 will be considerably abbreviated. It might expedite matters if we proceed as quickly as possible to considering the clauses one by one.

Unfortunately, I have been called to another meeting. I hope to get back this afternoon before the committee ends. Our vice chairman will take over for the next few minutes.

The VICE-CHAIRMAN (*Mr. Montgomery*): Mr. Thomas, have you a question?

Mr. THOMAS: Mr. Chairman, in connection with Brigadier Rutherford's statement, he made the statement that 10 per cent were having some difficulty and that 3 per cent probably should change to some other line of work. Is that 10 per cent plus 3 per cent?

Mr. RUTHERFORD: Yes, 10 per cent plus 3 per cent.

Mr. THOMAS: That is 13 per cent.

Mr. RUTHERFORD: That is right.

The VICE-CHAIRMAN: Are there any further questions you would like to direct to Brigadier Rutherford before we proceed with the discussion?

Mr. HERRIDGE: Yes, Mr. Chairman. Following up the previous question—

The VICE-CHAIRMAN: I believe Mr. Speakman had a question; would you ask your question now.

Mr. SPEAKMAN: As I have had a great deal of experience with V.L.A., I wanted to say at this time that I think the director and his staff are to be complimented on the presentation of these amendments. Further, I would like to compliment the director on the very excellent V.L.A. staff he has. From my experience, I know there is a no more experienced and reliable staff in farm administration in Canada and probably in the world.

As we come to the sections, there are one or two minor amendments which I would like to introduce for discussion.

Mr. HERRIDGE: I would like to ask this question, Mr. Chairman. Brigadier Rutherford mentioned a figure of 10 per cent which actually should be considered small holders and I can visualize some settlers under these circumstances. I know of two or three. Is it possible for their status to be changed to that of a small holder in view of their circumstances at this time?

Mr. RUTHERFORD: Yes, we transfer some to form statuts due to their developing enterprise, but we also do it the other way around. However, there is no particular advantage to them in doing it.

Mr. HERRIDGE: And there is no disadvantage to the administration in their continuing as full-time farmers.

Mr. RUTHERFORD: Our statistics are not as good as they should be. Actually they are smallholdings. It may be that we did not get them a unit that came up to standard.

Mr. HERRIDGE: I have one more question. I noticed with a great deal of interest that you made some reference to the fact that it might be advisable not to have a limit to the total of loans; would you enlarge on that.

Mr. RUTHERFORD: There may be cases in which we wanted to go beyond the limit and I think, with the 75 per cent, if you are careful you can be pretty safe. Probably you can do a fairer and more satisfactory job that way. Of course, a high limit might encourage people to borrow up to that amount.

Mr. HERRIDGE: Would you say there are circumstances where it would be to the advantage of the veteran to make a loan in the amount of \$30,000.

Mr. RUTHERFORD: There are not too many of our veterans who require \$30,000. Perhaps our survey has been fairly conservative. There were 5,000 men surveyed and I can give you the figures later, if you wish. I think you have these figures in the report I sent you earlier. Perhaps we might discuss that part of it when we come to it.

Mr. McINTOSH: First of all, for my own information—and perhaps I should know this—but I notice the director mentioned repayment to the director, and that is all through the bill. It says:

Circumstances sometimes require that a veteran repay to the director all or part of the cost to the director of the livestock and farming equipment purchased on behalf of that veteran.

Why is the word "director" used instead of "department"?

Mr. RUTHERFORD: The director of V.L.A. is a corporation soul. The word "director" is used all through the act instead of using the word "corporation". In the original act I think it would have been better if they had used the term "corporation".

Mr. HERRIDGE: You mean a corporation with a soul.

Mr. RUTHERFORD: That word is used all through. It sometimes proves embarrassing, but we have to use it.

Mr. McINTOSH: In your statement, Brigadier Rutherford, you made reference to a survey and in that survey it was stated that if the farmers would turn over their production to the type of commodity referred to in that survey it would increase their net income by 50 per cent, and that more or less would bring up farming to what has been said is their fair share of the national income. But also you refer to milk and cheese. I wonder what the eastern farmers would say as to whether or not it is a paying proposition. I would like to know the name of the survey and would like to obtain a copy.

Mr. RUTHERFORD: You have a copy of it. It was sent to the members.

Mr. McINTOSH: It was sent out?

Mr. RUTHERFORD: Yes. If you would like to hear it now, I can read it to you; or would you rather wait until we come to the item?

Mr. McINTOSH: I do not know when we will come to it.

The VICE-CHAIRMAN: We will come to that when we are dealing with clause 20.

Mr. McINTOSH: My next question is in connection with the basis for your new credit. I understand you are to diversify the type of farming that is carried on. I am referring to the matter of more grazing lands in the west instead of raising grains. On what basis would you lend money? Before, it was on the productivity of that land. You have a survey to say what section is worth so much. If you change it over to grazing lands are you going to change your yardstick, or use the same one?

Mr. RUTHERFORD: There are certain types of land in the west which are adaptable to wheat, and wheat is about the only crop that really pays on that land. It is low precipitation land. There is no reason for that to be changed, but the farmers in the northern part are anxious to change.

We are not forcing anyone. This survey was to find out what farmers would do with credit if they got it. We found out when we went to the Gordon report that it is much the same as in the report you have. We could give the information to you now or later as to what the farmers themselves would do. The information conformed almost entirely to what the Gordon report said the market requirements would be in the next ten years.

Mr. McINTOSH: Is that where you get the 10 per cent increase on the net income?

Mr. RUTHERFORD: No, sir. Our men spent about two days on each survey. We asked farmers what they would do with more credit if they had it. We went into that. It is a long procedure. It was very carefully done and the information was all tabulated. It took nearly two years to cover 5,000, but it has been a good training program for our staff and a good instruction program for our farmers. Some rather amazing things came up. Farmers who were making a small percentage on their present capital investment jumped up to 24 per cent on the additional. The additional made that much difference.

Mr. McINTOSH: I think that is what we want.

Mr. RUTHERFORD: The figures are here. If you want to take the time to go into them now, I will do so.

Mr. McINTOSH: The vice chairman said he wanted to leave it until we came to that item.

Mr. WINKLER: In view of the remarks that were made before regarding the small holdings going into farming units—and maybe there has been a recommendation in this regard—I would like to know if there is any move in the direction of reducing, for the sake of the person who is not interested in going into the farming industry, the amount of land in a small holding.

Mr. RUTHERFORD: Yes, if he has 100 acres and he is operating as a small holder and wants to sell part of it, we are happy to do so.

Mr. WINKLER: But in the current minimum required for him to hold, is there any indication or recommendation for a decrease?

Mr. RUTHERFORD: We hope the provisions of part II will take the place of that. It gives the man all the benefits of being able to build his own house.

Mr. WINKLER: Do you get many requests for this?

Mr. RUTHERFORD: We used to. Since we have had part II of the act, there have not been so many.

Mr. HERRIDGE: But most like the other one best.

The VICE-CHAIRMAN: Shall we proceed with the clauses, clause by clause? Clauses 1, 2 and 3 agreed to.

On clause 4—Director may require insurance policies.

Mr. HERRIDGE: Mr. Chairman, would you give us some time to read the section, because sometimes it takes a few minutes to find the point thereof?

The VICE-CHAIRMAN: Surely.

Mr. McINTOSH: Mr. Chairman, could they tell us the point of each clause?

Mr. RUTHERFORD: Mr. McCracken will deal with this part and explain each clause as it comes up, if that is satisfactory.

Mr. McINTOSH: Starting at clause 1?

Some hon. MEMBERS: Yes.

Mr. A. D. McCRACKEN (*Senior Administrative Officer, Soldiers Settlement and Veterans' Land Act*): At the present time the present section 10 (4a) says:

"(4a) Notwithstanding subsection (4), at any time after the expiration of the ten year period referred to in subsection (4), a veteran who has complied with the terms of his agreement for that period and is not otherwise in default thereunder may, with the consent of the Director, assign the agreement to any person; and, notwithstanding anything in this Act or the agreement, the interest payable by any assignee of any such agreement from and after the date of the assignment on any remaining indebtedness to the Director under that agreement shall be at the rate of five per cent per annum."

Mr. McCRACKEN: We have never actually used this subsection of the act, because there are certain provisions or benefits in the actual agreement of sale between a veteran and the director that we consider are properly applicable only to the veteran himself and should not be passed on to the assignee, with the result that when veterans wanted to dispose of their property by assigning their contract, we have had them convert their contracts to a civilian purchase basis and then assign that civilian purchase agreement. Because of those circumstances—because we have never used, and do not think we should be using section 10 (4a)—it is proposed that that particular subsection of section 10 should be repealed.

Clause 1 agreed to.

On clause 2—Director may resell livestock, etc., to veteran.

Mr. McCRACKEN: On various occasions, particularly where it involves full time farmers and the veteran becomes an absentee for a temporary period, we find it advisable to have the veteran repay the cost of the stock and equipment that has been furnished to him. That applies particularly to livestock.

We do permit veterans to store the equipment, but—and this has been our experience—livestock does not store very well. So, particularly where this relates to livestock, a veteran is sometimes required to repay the cost of the stock and equipment to the director. As a matter of practice, when the veteran has returned to the operation of his property, we have been re-expending the amount he paid to us in buying him new livestock and farm equipment.

We were going through the act with a sort of fine tooth comb prior to these amendments, and found we did not quite have the full or specific authority to do this, so we are simply seeking authority today to do something we think is advisable, and which has been successfully done for 15 years or more.

Mr. THOMAS: May I ask the witness to give us an example of what might cause the temporary absence of a veteran?

Mr. McCRACKEN: He might re-enlist in the armed forces; he might find he has to leave the property temporarily because of ill health of himself or

some member of his family; he might find—prior to the increased credit provisions here—that he had to leave the property to go and work out to secure sufficient capital to be able to re-invest and make his farm a going concern.

It is a matter of maybe one or two years, or, if it is an enlistment in the armed forces, generally it is for a period of five years. Those are the most common types of absence that we come across.

Mr. HERRIDGE: I have noticed, Mr. Chairman—and I think the officials have found this from their experience—that possibly the majority of men have lacked capital and have gone out—I have known a number of such fellows—and taken a job mining, and so on, and have got some more money in a year or two and have then returned to the farm. Is that the sort of circumstance?

Mr. McCracken: Yes.

Mr. McINTOSH: What would happen if a veteran did not want to give up the livestock to the director at that time? Does this give you power to take it?

Mr. McCracken: No, this does not give us power to take it. We have authority, under the agreement right now, to take it.

Mr. McINTOSH: If he is ill?

Mr. McCracken: Not if he is ill.

Mr. McINTOSH: You made mention of it.

Mr. McCracken: Yes, if he is ill; but a man can be ill and still be on the property. I am talking here about a man who has to leave the property for a period of one or two years. If a man has to leave temporarily, ordinarily there are local arrangements made for somebody to look after his stock. But this is a matter where a man is leaving for other than a temporary period.

Mr. FORGIE: What happens if he has not the funds to repay the loan?

Mr. McCracken: We would normally repossess the chattels; we would sell them—and when he returns to the property, we would redispurse the money.

With regard to farm equipment, it is normally either put under a caretaker agreement, or sometimes it is leased or hired out to a nearby neighbour who has been cooperating with the veteran.

The VICE-CHAIRMAN: Are there any further questions gentlemen?

Mr. THOMAS: Would it be a fair statement to say that this provision might make it possible for the director to re-establish someone who had got into difficulties?

Mr. McCracken: I have difficulty answering, in a sense, because we have been doing it right along. But it is when a man finds it necessary, for one reason or another, to be absent from his property: he has paid us back for the cost of the livestock and farm equipment. If he found a purchaser and sold the livestock, under section 11 (6) of the act the director would get the proceeds, and when the veteran came back, the director would then redispurse that money for buying livestock and farm equipment.

Here you have a situation that, instead of the veteran selling the livestock and the director getting the money, the veteran himself has paid the director for the livestock. As an analogy, we are doing the same thing with the man's money that he has paid to the director, as we would be doing with the money we received from a purchaser.

Mr. THOMAS: Would it be fair to say that this does not only apply to future development, but is also retroactive?

Mr. McCracken: Yes, sir. As I say, we have been doing it right along. This is something to tidy up the act.

Mr. McINTOSH: Can a veteran raise funds on such livestock by way of chattel mortgage?

Mr. McCracken: He could, if we had released title to him. There is a provision in the act that the director can release title to chattels to a veteran, but the release of title to the veteran does not relieve the veteran from paying for them if he does not fulfil the terms of his contract. If the director released title to chattels to a veteran, the veteran would then—I would think—be in a position to obtain money on the basis of a chattel mortgage.

Mr. McINTOSH: This would not apply, then—

Mr. McCracken: This does not apply to that situation.

The VICE-CHAIRMAN: Is the clause carried?

Clause 2 agreed to.

On clause 3—Use of proceeds from sale of land.

The VICE-CHAIRMAN: Do you wish to take these subclauses one by one?

An hon. MEMBER: I think it is best, Mr. Chairman.

Mr. McCracken: Section 11 of the act provides that with the consent of the veteran the director may sell or otherwise dispose of any part of the property that was sold to the veteran. The words under section 11(1) "or otherwise dispose of" were intended to permit leasing.

Then we get down into subsection 11 (2) which says what you will do with the proceeds. Up to now it has just spelled out—inadvertently—that the director could use the proceeds from the sale. This section 11 has been in the act since 1949 and, again, the particular proposed amendment is a result of going through the act with a fine tooth comb, trying among other things, to find out certain items that we have been doing which—when we looked at them closely—we found we really did not have any specific authority to do.

This clause 3 (1) will permit the director to do exactly the same thing with lease proceeds as he may now do with the sale proceeds; that is, he may use them to buy land, to effect improvements or—if neither of those things are to be done—apply them against the veterans' indebtedness to the director.

The VICE-CHAIRMAN: That really covers all those subsections?

Mr. McCracken: Well, clause 3 (2) has some related effect with regard to lease proceeds, or sale proceeds. We sometimes find that let us say out of \$1,000 of sale proceeds, the veteran and our field credit advisor decide that \$500 of the \$1,000 sale proceeds should be re-expended in effecting permanent improvements and the remaining \$500 is to be applied to the veteran's account.

The way the act reads now, that \$500 to be applied to the veteran's account cannot be applied there until the permanent improvements have actually been effected and the money spent. This provision will permit us to apply the \$500 that is not going to be spent to the veteran's account before the permanent improvement work has actually been carried out.

Clause 3(2) agreed to.

On clause 3(3).

Mr. McCracken: Section 11(6) of the act at the present time authorizes the director only to reimburse sale proceeds from livestock and equipment for the purchase of other livestock and equipment. Under the proposed amendment, the director would be authorized, also, to purchase land for sale to the veteran or to effect improvements on the land either retained by the veteran or on other land to be purchased.

These cases mainly arise where a veteran established as a full time farmer can no longer continue his operation in that category, and he could be established as a small holder if we had the proceeds from the sale of the livestock and

farm equipment to spend along with the proceeds from the sale of his farm. The purpose of the proposed amendment is to permit the director to use the livestock and farm equipment sale proceeds for that purpose, on the same terms as funds that had been spent in the first place for the sale to the veteran of land and existing improvements. In other words, the veteran pays 10 per cent down and he agrees to pay two-thirds of the balance over the remaining period, earning a conditional grant on the land.

The effect of this amendment would be as if the whole amount involved had been spent in the purchase of a small holding in the first place.

The VICE-CHAIRMAN: Are you satisfied?

Mr. THOMAS: I have one question, Mr. Chairman. What is the effect of conversion from full time farming to small holding, or vice versa? In case it was found advisable to re-establish the veteran from a full time farmer to a small holder, would that entail any loss in conditional grant?

Mr. McCracken: Yes, it would. At the present time—I can use a concrete example—the establishments that we are mainly thinking about here are veterans who spent \$4,800 for the purchase of real property and \$1,200 for the livestock and farm equipment. With regard to the \$4,800, the veteran paid \$480 and he agreed to pay two-thirds of the balance, so that on the land and permanent improvements he was earning a conditional grant of \$1,120, plus the \$1,200 of livestock and farm equipment, which gives the total of \$2,320. If part of all of this \$1,200—the livestock and farm equipment—was sold and the proceeds were used to purchase land, or to effect improvements, on the terms set out here, that is payable 10 per cent down, and two-thirds of the balance over the remaining period of the contract, then he would end up earning a conditional grant less than \$2,320, but equivalent to what he would have earned if he had been established in the first place as a small holder. In other words, if \$6,000 had been spent on that veteran as a small holder at the time of his establishment, he would have paid down \$600 and would have agreed to pay two-thirds of the balance over the remaining period of the contract, and would have earned a conditional grant of \$1,400.

The effect of this amendment would be to end up in that position, with a man having a conditional grant not of \$2,320, but of \$1,400, if the whole \$1,200 stock and equipment was spent for land.

Mr. THOMAS: I would take it, sir, that this would only be done in the case of necessitous circumstances, where a full-time farmer had gone on the rocks, and this adjustment was made for the purpose of salvaging the operation as far as possible.

The VICE-CHAIRMAN: This is at the veteran's request?

Mr. RUTHERFORD: It is always on the veteran's request; he asks for it himself.

The CHAIRMAN: Have we any more questions, gentlemen, on subsection (3)? Subsection (3) agreed to.

On subsection (4)—

The CHAIRMAN: Are there any questions?

Mr. THOMAS: Mr. Chairman, we have been making a practice of having Mr. McCracken explain each subsection as we go along.

Mr. McCracken: This is a matter of taking out something that is actually redundant. Subsection (8) of section 11 in this act says that proceeds from "commercial fishing equipment" shall be substituted for the words "livestock or farm equipment".

Actually subsection (2) of section 10 of the act says:

In this act, except in subsection (3) of section 10, the expression "livestock and farm equipment" in the case of a veteran certified by the director to be a commercial fisherman includes commercial fishing equipment".

In other words, there is no actual need of this subsection (8) in section 11. Subsection (4) agreed to.

On clause 4—Director may require insurance policies.

Mr. McCracken: Sections 16 and 17 are the provisions in the act which, first of all, require the veteran to insure his property; and in section 17, that he pay taxes. In both these sections authority is there for the director to pay the insurance and to pay taxes, if the veteran fails to do so, and to charge to the man's account the amount of the special advances, as we call them, which the director has to pay for insurance or taxes. At the present time, the rate of interest chargeable on the special advances so made is $3\frac{1}{2}$ per cent.

The amendments proposed are, firstly, to include in section 16 authority, or the requirement that a veteran will insure, in favour of the director, property which is held or taken by the director as security for a loan under part III.

In other words, the man gets a part III loan of X dollars under this legislation. At the present time he is required to insure in so far as the part I property is concerned, or the part I security. It will be pretty hard to separate what is part I and what is part III security, if the part III loan is used to put up a building. So this first provision is to incorporate in section 16 the requirement that the veteran will insure the security for both part I and part III loans.

The second amendment is with regard to the change or increase in the interest rate from $3\frac{1}{2}$ per cent to 5 per cent.

We have found that veterans have found to their financial advantage to require or force the director into the position of paying for the insurance coverage or paying for arrears of taxes, and then having the amount of the special advances charged to their account with interest at $3\frac{1}{2}$ per cent.

Mr. HERRIDGE: That means the boys have been borrowing at the bank at a higher rate of interest?

Mr. McCracken: That is right.

Mr. HERRIDGE: I would praise their astuteness in that.

Mr. RUTHERFORD: Most municipalities charge around one per cent per month, and that is instead of three and one half per cent, so they save by not paying taxes. That is not a very good principle.

Mr. PUGH: Why do they always put the words "may require that the veteran shall insure"? Surely, it should be mandatory that there would be insurance carried?

Mr. McCracken: In some cases, Mr. Pugh, we might not require a man to insure his livestock and farm equipment. As a matter of administrative practice, we have never yet required a man to insure livestock and farm equipment. This will provide us authority for doing so, and we may find it feasible to require a veteran to insure livestock and farm equipment where it represents an appreciable part of the security taken for a part III loan.

Mr. PUGH: I did not realize that was in there. On land I know the department is always very very quick in making sure you have your insurance up to date.

Clause 4 agreed to.

On clause 5—Reference of rescission to board in adjacent province.

Mr. McCracken: There are three areas in the country where our district administrative boundaries do not correspond with the provincial boundaries.

One is in our Alberta district, which has supervision, or operates in the Peace river block of British Columbia.

Secondly, our Manitoba district has control of operations in northwestern Ontario, down to the Port Arthur, lakehead area. The third area constitutes the Magdalene islands, which are part of the province of Quebec, but which come under the operational control of our Atlantic district.

I do not think there has ever been a case from the Magdalene islands. I do not know, but I do not think there has been a case arising yet in the Peace river block of British Columbia, controlled by our Alberta district. I think there has been one case in northwestern Ontario, where we found it necessary to seek the consent of the provincial advisory board for the rescission of a veteran's agreement.

Because the operations in that area are under the Manitoba district, we found it far more convenient and satisfactory to have the provincial advisory board for Manitoba deal with that particular case in northwestern Ontario.

We have the same situation which would apply in the Peace river block of British Columbia; and, similarly in the Magdalene islands.

Clause 5 agreed to.

On clause 6—Sale on new terms.

Mr. McCracken: With regard to clause 1 I mentioned that we never had used section 10, subsection (4a), but if a veteran wished to dispose of his property by assignment of his agreement, we had the veteran convert to what we call a civilian purchase contract, which does not involve having the veteran assign to his civilian assignee certain provisions in the contract which we consider are applicable only to veterans.

The procedure involved was to obtain a quit claim deed from the veteran, and then the procedure under section 23 of the act was to sell to the veteran on civilian terms, which are incorporated in the agreement; and that contract he then assigned to his civilian purchaser or assignee.

The purpose of clause 6, which is the new section 23A, would be to provide a more expeditious method of carrying out that procedure, whereby after the veteran notifies the director that he does not wish to be bound by the provisions of his contract, to terminate that contract and enter into a new contract with the director on the civilian purchase basis.

Mr. Thomas: Mr. Chairman, might I ask what changes would be made there? Would it be with regard to the interest rate only?

Mr. McCracken: There would be a change in the interest rate from $3\frac{1}{2}$ to 5 per cent; and if they earned the conditional grant—and in most cases we are dealing with now, where they are converting, they have earned their conditional grant—that has been already earned.

If he had not yet earned his conditional grant, then by converting his veteran's agreement to a civilian agreement, there would be no conditional grant under it. However, he would then be entitled to secure his re-establishment credit.

Mr. Thomas: Would the conversion of the interest rate go right back to the original date of the agreement?

Mr. McCracken: No, he would pay $3\frac{1}{2}$ per cent interest from the date of the veteran's agreement up to the date of the conversion; and the five per cent would be payable from then on.

Mr. Pugh: Has the re-establishment credit ever been turned down? You mentioned that he would get his re-establishment credit, if he had not received the benefit of the grants. In that case, has re-establishment credit ever been turned down?

Mr. McCracken: If he had received the conditional grant?

Mr. PUGH: No, if he has not received them.

Mr. McCracken: I do not know of any case. Offhand I cannot think of any reason why re-establishment credits would not be given to him, because there would be no loss to the director, and there would have been no benefits.

Mr. PUGH: The only reason I asked that is that some people asked me, some years ago, with regard to this. The idea was that they were selling at a profit after holding it for, say, five years and they did not get their re-establishment credit in that case.

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): This type of policy existed prior to 1950. Where a veteran sold at a profit, he was charged a percentage of that profit as a benefit.

In 1950 the policy was changed. The profit was considered to be a capital gain, and it did not affect his re-establishment credit.

Mr. PUGH: So, now the matter is cleared up?

Mr. LALONDE: That is right.

Clause 6 agreed to.

On clause 7—

Mr. McCracken: Earlier, in response to a question, the director mentioned that the act sets up the director as a corporation sale and, as such, he is an agent of Her Majesty in right of Canada.

By virtue of, and by way of that legal position provinces, municipalities, municipal or provincial authorities, or certain corporations who otherwise have the right and power to expropriate, or take and use land for public purposes, do not have the right to expropriate land title to which is vested in the director. In addition to that provision, there is a provision in section 11, dealing with sales of a veteran's property, which requires that the veteran must consent to a sale.

A combination of those two things has resulted in some cases arising where veterans—whose property, either in whole or in part, has been required by a province, municipality or corporation for public purposes—have demanded, because of their privileged and commanding position, an unreasonable sale price. I think the vast majority of these cases have been settled fairly amicably.

Mr. HERRIDGE: What about the occasional shot-gun?

Mr. McCracken: I said fairly amicably; but they certainly involved an awful lot of administrative work. This proposal which is similar to section 35 of the Indian Act, would permit the settlement of such cases in the ordinary fashion. That is, if the veteran were not a veteran under the V.L.A., if he were buying the property under a mortgage or a private agreement of sale, and there was a dispute, or if he and the expropriating party could not get together and settle upon the compensation to be paid, the matter would go to arbitration.

The purpose of section 24-A is to permit that sort of thing to be handled in that way, where the veteran or the municipality cannot get together on a reasonable sale price.

Mr. RUTHERFORD: I think it should be said that it does not go to arbitration unless the director considers that the man is asking an exorbitant price. It they cannot settle—when, suppose a corporation offers \$10,000 while the man wants \$20,000. And we think that \$15,000 is right, then they have to pay the farmer that amount.

Mr. HERRIDGE: What has been the practice before this? For instance, I am thinking of one case where a provincial government put a 100 foot road-way right through a veteran settler's best field. The veteran himself was under the impression that since it was the provincial government, he was

helpless. Previous to this act, could the director of the V.L.A. stop the provincial government from going across that property?

Mr. RUTHERFORD: The government could do it without the veteran's consent.

Mr. HERRIDGE: Their engineers went through this property and built the road; they bulldozed the stumps and rocks on about five acres of land and built the road. Finally they settled the matter.

Mr. RUTHERFORD: We have a lot of cases where we have had to spend weeks of time trying to get the veteran to settle for a reasonable amount. We have had roads built around a veteran's land because he would not settle. But this will keep it down where the veteran is asking too much.

Mr. HERRIDGE: Would it be safe to tell a veteran, that when a highway is approaching his property: "do not let them on your property, but get in touch with the director of the V.L.A.?"

Mr. RUTHERFORD: I would not try it.

Mr. McCracken: I think that our field staff by and large are there ahead of the engineers because they hear about these things very quickly.

Mr. HERRIDGE: Now that may be the case; but in the early days they got caught, so to speak, with their pants down on occasion because they had not had experience with it; it happened before they realized about it.

Mr. FORGIE: Would the matter not be determined by the exchequer court rather than by arbitration? The director is the crown, and would the case not go to the exchequer court rather than to be decided by arbitration?

Mr. TAYLOR: It is provided for in the amendment that the arbitration procedure provided by the province where the land is situated would be the authority which prevailed.

Clause 7 agreed to.

On clause 8—Time limit on obtaining benefits.

Mr. McCracken: I do not think there is a great deal of explanation required on clause 8 other than what it says. There is no deadline in the act at the present time for settlement.

Section 13, I believe, of the War Service Grants Act, states that a veteran, in order to be eligible under the Veterans' Land Act for Part I assistance, must repay his reestablishment credit and thereby restore his eligibility, but not later than September 30, 1962. This is analagous thereto.

Clause 8 agreed to.

On clause 9—Repeal.

The CHAIRMAN: This seem to be self explanatory.

Mr. HERRIDGE: Has that provision not been made entirely unnecessary since the act was first drafted?

Mr. LALONDE: Since they amended the Post Office Act it has become unnecessary. Originally it served a useful purpose.

Clause 9 agreed to.

On clause 10. Grant not in addition to other grant or sale.

Mr. McCracken: The only change to clause 10 is the insertion or addition of the figure "23" around line 30. That came about through its being tied in with the amendment outlined in clause 7. In other words, section 38-5 of the Veterans Land Act provides now that the veteran who is established under 10 or 15 of the act, provided he repays to the director, with interest, the moneys expended on his behalf, could be granted an establishment on provincial or dominion land, or vice versa. It is conceivable that a veteran might have been established under the act under a contract entered into with the

director under section 23. We have no knowledge of such a case, but it is possible that there is such a case, and that the veteran might possibly come along at a later date and say that he would like to be established on provincial land, and give up his establishment that he is on right now. This was to take care of it. When amending the act we proposed that the figure 23, from section 23, should be put in.

Clause 10 agreed to.

On Clause 11—Grant not in addition to other grant or sale.

Mr. McCracken: This relates to Indian veterans, both those who are now settled on Indian reserve land, or if there happens to be one or more Indian veteran who is settled under the act, but not on Indian reserve land, and who might wish to change his establishment from non-reserve to reserve land. It is similar in principle and practically word for word with the existing section, 38-5.

Mr. MONTGOMERY: He would lose nothing by changing over?

Mr. McCracken: No sir.

Clause 11 agreed to.

On clause 12.

Mr. McCracken: This is consequential on the amendment to section 23-A. Section 41 now contains a long list of items on which the governor in council may make regulations. But because section 23-A contains the term prescribed, the drafter, in the Department of Justice, considered he should put in another clause, "(fa)" in section 41, authorizing one other item for which the governor in council could make regulations. Actually, we have a regulation today—regulation 32, I think it is—which says that the rate of interest on sales to persons other than veterans, shall be at the rate charged under the Canadian Farm Loan Act.

Clause 12 agreed to.

On clause 13—1953-54. C.66, S.10.

Mr. McCracken: Clause 13 relates to the elimination of paragraph (b) of section 46 of the act. We are now in Part II. Paragraph (b) of section 46 under Part II now prohibits the veteran who has been paid an allowance for more than nine months while taking a university course from getting assistance under Part II. The purpose of this amendment is to do away with that prohibition, or repeal it.

Mr. THOMAS: I am not just clear on that explanation. If the veteran has collected a grant by taking a postgraduate course at university for a period of more than nine months, did I understand that that clause is now repealed? Is that right?

Mr. RUTHERFORD: Up to now he could get it for nine months only. This is extending it to those who have gone over nine months.

Mr. THOMAS: Up to this moment if they had taken the course for nine months?

Mr. RUTHERFORD: They could still get it under Part II of the act.

Mr. McCracken: They could have Part I if they repaid the amount. University training under the Veterans Rehabilitation Act, reestablishment credit under the War Service Grants Act and assistance under Part I of the Veterans Land Act, are alternative benefits. A veteran who had university training for less than nine months is eligible for assistance under Part I, provided he repays the cost of that training. Similarly, a veteran who has used his reestablishment credits is only eligible under Part I if he repays the amount of his reestablishment credit.

Because there is no conditional grant under Part II of the Veterans Land Act, a veteran who desires assistance under Part II to build his own home is

not required to repay any reestablishment credit he may have used, nor, alternatively, is he required to repay the cost of any university training he may have received for a period of less than nine months.

Under these circumstances, it is considered that paragraph (b) of section 46 represents an anomaly with respect to the veteran who had more than nine months university training, and the purpose of this amendment is to remove that anomaly.

Mr. THOMAS: They do not have to repay anything from here on?

Mr. McCracken: That is right. Under part II there are no conditional grant benefits derived per se.

Mr. LALONDE: Until now they could not repay the training costs to get an establishment under part II if they had more than nine months training. This removes the prohibition and places them in a better position under part II.

Mr. PUGH: Does that cover many veterans?

Mr. LALONDE: No. I know of only two cases.

Clause 13 agreed to.

On clause 14—Where land not owned by director.

Mr. McCracken: This is to take care of the veteran who holds land under a long term lease, rather than the person who holds clear title to his property. At the present time the director can make assistance available under part II either on land to which the director already holds title, or on land which the veteran conveys or causes to be conveyed to the director.

The man who holds land under a long term lease is therefore not in a position to get any assistance under part II. This was brought to our attention by the Canadian Legion. A veteran wished to build in a national park—I think it was at Jasper. And I might say at the same time it is possible under the National Housing Act to secure, or to have a loan approved under that act, for a man who wishes to build on property to which he holds a long term lease—so that clause 14 is to permit the director to make financial assistance available under part II to a veteran, if that veteran happens to hold a suitable piece of land under a long term lease, the leasehold interest of which he assigns to the director.

When the construction is complete, the director will reassign that leasehold interest to the veteran subject to the first mortgage in favour of the Central Mortgage and Housing Corporation, or an approved lender.

Mr. FORGIE: What is the definition of a long term lease?

Mr. McCracken: I do not think they specify it, but I would consider it was one which was at least as long as the mortgage. I think they would tell you they think it might be five years longer than that.

Clause 14 agreed to.

On clause 15.—Director may enter into construction contract.

Mr. McCracken: There are two purposes in the amendments of clause 15(1). The first is to revoke, repeal or eliminate one of the limitations now in section 48(1): that is, that the cost to the director cannot exceed 85 per cent of the market value of the land and the proposed dwelling, as estimated by the director.

As the director mentioned in his statement, actually we have not found that the cost is running to 85 per cent because, first of all, of the equity the veteran has in this proposition by virtue of the land and, secondly, by virtue of the owner-labour content which he puts into the construction of his own home.

The second item is for the purpose of raising the ceiling to \$10,000.

Mr. RUTHERFORD: Colonel Griffith is the head of the construction division and as these are matters relating to construction, perhaps he would give the answers to these questions.

The CHAIRMAN: Have we any questions on clause 15(1)?

Mr. THOMAS: I think a little further explanation would be of value. This appears to be cutting down the privileges which veterans presently enjoy. I may have misunderstood the explanation but, as I said, the explanation previously under section 48 sets out that a veteran can borrow up to 85 per cent of the market value of the land and proposed dwelling as estimated by the director. That is being repealed.

Mr. RUTHERFORD: You can get up to 100 per cent, according to the bill.

Mr. THOMAS: Well, that is all right, as long as there is no curtailment.

Mr. RUTHERFORD: No one has ever asked for that much, so we thought it was just as well to take it out.

Mr. THOMAS: You are taking out just the figure 85?

Mr. RUTHERFORD: Yes.

Mr. MACEWAN: As I understand it, the appraisal of these values is made by your district construction men; is that correct?

Mr. H. C. GRIFFITH (*Superintendent, Construction Division, Soldier Settlement and Veterans Land Act*): Yes, they are analyzed and set by our own construction supervisors within each area.

Clause 15 (1) agreed to.

On clause 15 (2)—additional payment may be required.

Mr. McCracken: The purpose of clause 15(2) is consequential on the amendment in clause 15(1) where we eliminate the existing paragraph (a).

As section 48(2) of the act now reads it makes reference to paragraphs (a), (b) and (c) of subsection (1). Because we are eliminating one of the paragraphs, it reduces it to simply two paragraphs to which to refer, so it is consequential.

Mr. RUTHERFORD: You appreciate, gentlemen, that this is a rather important amendment in that there is an increase from \$8,000 to \$10,000.

Mr. HERRIDGE: That is for those building under that section that is administered by C.M.H.C., is it not?

Mr. RUTHERFORD: Yes.

Mr. THOMAS: In other words, a veteran can borrow now up to \$10,000.

Mr. RUTHERFORD: We can advance that amount during the period of construction.

Mr. THOMAS: Without reference to any proportion of the value of the property?

Mr. RUTHERFORD: That is right.

Mr. GRIFFITH: The value is put there before you advance the \$10,000. At the present time, the V.L.A. will advance or loan \$8,000 toward a contract, which will develop into a mortgage with C.M.H.C. Because of the increase in costs of labour and materials, we felt that this figure of \$8,000 should be increased to \$10,000, which will be available from the director of the V.L.A. in order to assist him in obtaining the mortgage from the corporation.

Mr. THOMAS: But at present it is 85 per cent.

Mr. GRIFFITH: But that 85 per cent is for the estimated cost of the contract itself, or the proposed house, you see; but as the director mentioned a moment ago, we have kept within the 85 per cent. In other words, we have been building houses that should be appraised at \$10,000 by C.M.H.C. for \$8,500. Therefore, there is no point in setting the 85 per cent limitation on it.

Mr. LALONDE: There is something else about this, Mr. Thomas. If you read the present clause in the act it says:

85 per cent of the market value, or the amount of the loan approved by the corporation, or \$8,000, whichever is the least.

Mr. THOMAS: Yes, I see.

Mr. LALONDE: So, increasing the amount to \$10,000 and taking out the 85 per cent has no effect on the amount of money a veteran can borrow because of the provision that existed before, i.e. "whichever is the least".

Mr. MONTGOMERY: Mr. Chairman, I think we all have a feeling of confidence in these trained personnel and that they are not going to advance more money than the selling value of the property when it is completed.

Mr. GRIFFITH: They could not do that because the corporation would step in and override any amount we went beyond their appraised value. There is a stopper there. Another example is where you may have construction in an area where the corporation does not lend up to the full value of construction itself. In other words, there are areas where they have deductions from 5 per cent and all the way up to 20 per cent in the amount of loans available in certain areas. I hope you can follow what I mean. In other words, there are areas where perhaps a house valued at \$10,000 would be appraised at only \$8,000 because of the type of area in which it is situated. Now, so far as we are concerned, if you had the 85 per cent limit, it would penalize the veteran to a greater degree.

Clause 15(2) agreed to.

On clause 16—assignment of construction contract.

Mr. McCracken: Clause 16 is to provide a mechanism for permitting a veteran who is in the course of building his own home under part II and finds it necessary—possibly because he is transferred by his employer—to give up that contract. It permits him to assign the construction contract to another veteran. The new veteran will complete and upon completion of the house will take over the N.H.A. mortgage. Up until the present time in the case of a veteran who found it necessary—and I think there have been very, very few of them—to give up his contract, the only method we have had to deal with it was under section 53, and that was to terminate the contract and then sell, and any surplus which might be left over would go to the veteran. This arrangement will be far more expeditious and more practical. It is similar or analogous to what we term a veteran to veteran sale under the act proper, under part I, where a veteran is established as a small holder and when he is moved by his employer he finds another veteran, who wishes to be established under the act, to purchase his property.

A sale takes place under section 11 and the money, which is actually in the nature of sales proceeds is either redisbursed in purchasing another property for the first veteran, or the surplus is refunded to him. This mechanism that is sought by clause 16 is analogous to the veteran to veteran sale that takes place under clause 1.

Mr. STEARNS: What happens if a veteran cannot find another veteran to take that over?

Mr. McCracken: Then we would have to resort to section 53 or, alternatively, it might be possible, if the thing has progressed far enough, to have what we call a contract amendment, whereby the contract is considered to have been completed to the stage that construction has progressed and the director might convey to the veteran, upon repayment of the amount that has already been advanced.

Clause 16 agreed to.

On clause 17(1)—collateral agreements.

Mr. McCracken: There are two provisions there which amend section 49(1). The first is consequential on the preceding clause, which introduces section 48(A), and that is when one veteran assigns his construction contract to a second veteran. This amendment in section 17 requires that the second veteran sign a collateral agreement, the same as the first veteran had been required to do.

Under that collateral agreement he agrees, upon completion of construction, that he will execute a mortgage in favour of C.M.H.C. or some other approved lender.

The second amendment is contained in paragraph (a), which sets forth that he will execute a mortgage under the National Housing Act, 1954, in favour of the corporation or an approved lender for the outstanding amount advanced by the director under the contract. We have had some cases where veterans, through fortuitous circumstances, have received a windfall, by uncovering a rich aunt or uncle, or, possibly, they have found a source of mortgage money at an interest rate lower than that of N.H.A., as a result of which they found they required no mortgage at all, or a mortgage for less than the amount of the approved loan, or they would like to get a mortgage from someone other than C.M.H.C. or an approved lender. Up until now there has been no formal authority to permit the man to get away with no mortgage at all, or a reduced mortgage, or with a mortgage with someone else.

By virtue of these words, it is intended that if the veteran under these circumstances repays all or part of the moneys advanced by the director during the construction contract, then the mortgage could be available for either nil amount or for the actual amount advanced by the director.

Mr. HERRIDGE: It seems to make common sense.

Clause 17(1) agreed to.

On clause 17(2)—forgiving of payment of mortgage where veteran living on land.

Mr. McCracken: I am sorry there is one further amendment in section 49(1) that I did not cover; that is set out in paragraph (b).

Mr. MONTGOMERY: That is new.

Mr. McCracken: Yes, it is a new one.

Paragraph (b) provides that if the land on which the veteran builds his home was owned by the director—that is they bought a lot on a V.L.A. subdivision—the director could require the veteran to give in favour of the director a second mortgage for the difference between the cost of the lot to the Director and its market value. You must bear in mind that some of the property being developed or that has been developed by the director in the past one or two years, is land that was purchased for backlog purposes in 1945 or 1946. It will be understood and realized that there is a very considerable spread between its present day market value and the cost to the director. In fact, in one subdivision close at hand the difference between the cost to the director of the subdivision lots and the present day market value of these lots is about twice the amount of the conditional grant that is available to a veteran who is being established as either a small holder or full-time farmer.

The purpose of this proposal is to permit the director to require that such a veteran give to the director an interest free second mortgage for a period of up to 10 years, covering the difference between the cost to the director of the subdivision lot and its market value as established or determined by the director. In other words, if the cost to the director of the lot, we will say, is \$2,200,

and the market value of that lot as determined by the director at the time of sale to the veteran is \$5,000, then the amount of the second mortgage would be for \$2,800.

Mr. SPEAKMAN: That is where the director makes a profit for the crown?

Mr. MCCracken: This is where the director would only make a profit for the crown if the veteran did not remain on the property for the period of the second mortgage.

To explain this particular clause, one almost has to get into the next clause, which provides that the second mortgage will be of a self-liquidating nature as long as the veteran remains on the property.

Mr. MONTGOMERY: He does not have to pay any of that back, as long as he stays?

Mr. MCCracken: Yes.

Mr. HERRIDGE: You mentioned this land was purchased in 1945 or 1946 as a backlog. How does it come about that the Veterans Land Act administration owns lots of this size, if that act was amended in as far as part II was concerned?

Mr. MCCracken: This particular piece of land I am thinking of was bought with the intention of developing it for part-time farming purposes, but it was also dependent on city services being installed, and city services only became installed last year. It was only possible to install city services last year, I think, and the cost of those lots for part-time farming purposes would be prohibitive.

In other words, I think the average cost of these city-sized lots, with an average of 60 feet frontage, was \$2,200; that was with the cost of all services, except black-top roads, fully installed and paid for by the director. The present day market value of those particular lots would be in the neighbourhood of \$5,000.

Mr. HERRIDGE: I see; they were later subdivided?

Mr. MCCracken: That is right. It was not possible to subdivide them in that intervening ten or twelve-year period.

The CHAIRMAN: Is clause 17 carried?

Clause agreed to.

The CHAIRMAN: Clause 18.

Mr. MCCracken: Clause 18 is consequential on the amendment that I referred to in clause 17(1), with respect to the words "if any". In other words, there may not be a mortgage. If the veteran paid back all the money advanced by the director, there would not be a mortgage, and those words "if any" have been put in to take care of that situation.

Clause 18 agreed to.

The CHAIRMAN: Clause 19.

Mr. MCCracken: If we had to terminate a construction contract entered into under part II, we could either complete the house and then sell it, or we could try and sell the incompleated house. We have never had such a case, but it is possible that a case might arise where sale could not immediately be made at a reasonable price and the director would find it advisable to enter into a lease.

This provision would permit the director to treat the lease proceeds in the same manner as he would treat sale proceeds when he finally sells the property. At the present time, when the director sells the property, the proceeds are held for a period to determine whether there are any creditors. If there are any creditors, the money is paid into the Exchequer Court. If there are no

creditors, or if, out of the money paid into the Exchequer Court, there is a surplus, that surplus is paid to the veteran.

At the present time, if there were any lease proceeds, there is no authority in the act to include the rental moneys with the sale proceeds. If there are any lease proceeds received, they will go to the benefit of the veteran.

Mr. MONTGOMERY: Is there any limit on the time in which you would hold the proceeds to find out whether there are creditors?

Mr. McCracken: Yes, section 53 of the act says that after the sale is made and the director takes out his costs, the proceeds or the surplus shall be held by the director for a period of 30 days after the date of sale for disposal, as provided in section 54.

Then section 54 says:

(1) At any time during the period of thirty days referred to in subsection (2) of section 53, any person having a claim against the veteran or his estate for materials supplied or services performed in respect of the property sold may file with the Director a statement setting forth the details of such claim and verified by statutory declaration.

Then subsection (2) says:

(2) At the expiration of the period of thirty days referred to in subsection (2) of section 53—

That is, in the first thirty day period—

—if no claims have been filed with the Director in accordance with subsection (1) the Director shall pay the surplus to the veteran or, in the case of a deceased veteran, to his estate, but if within that period one or more such claims are filed with the Director in accordance with subsection (1) the Director shall retain the said surplus for a further period of thirty days—

in which to give the creditors and the veteran an opportunity to see if they can come to some agreement as to settlement.

(3) If, upon the expiration of the further period of thirty days referred to in subsection (2), any claim filed with the Director, in accordance with subsection (1) remains unpaid, the Director shall, upon application to the Exchequer Court of Canada and in accordance with the order of the Court, pay the full amount of such claim into Court and shall pay the remainder, if any, of the said surplus to the veteran—

So you have a period of, at least, 60 days.

Mr. MONTGOMERY: I notice that you have never had any case in which you looked after a lien. A builder can put a lien on land on which he has a house, in some provinces.

Mr. McCracken: They have put some on, but we have never found they are of any value. The technical position is they are not of any value.

I think one effect of a builder putting it on is that it has brought the matter to a head, so to speak, and has made sure there was some action taken to get the veteran and the creditor, or the supplier together.

Mr. GRIFFITH: We usually step in where cases of that kind develop.

As a rule though, we are pretty well on top of these things and liens are rather a rare case. But, occasionally, they do happen where there is some "hanky-panky" going on in the proceedings. Then we step in and get the account straightened out, unless he has gone over his head, and then it is a long term period.

We have a very great regard for the suppliers who are helping our boys out, and we do feel we have an obligation to try and keep their accounts in line, provided they inform us of the situation in each individual case. We follow them very closely.

Mr. SPEAKMAN: Do these housing laws apply to full-time farmers? Under the V.L.A., can a full-time farmer get a loan?

Mr. McCracken: He would normally get his requirements for building a house under the part III provisions.

This part II relates to homes built by veterans themselves, where they end up with a mortgage under the National Housing Act.

Mr. McIntosh: Mr. Chairman, one more remark with regard to the farm home. In the province of Saskatchewan, where you cannot put a lien on a house, how does that apply there, in the rural areas?

Mr. McCracken: Actually, Mr. McIntosh, the act provides that no liens can apply against property to which the director of the veterans act holds title. Until such time as this veteran who is building his house under part II, or until such time that a man established under part I, a small holder or full-time farmer, completes his contract, the title to the land is held by the director as an agent of Her Majesty in right of Canada.

Actually, a lien cannot apply. They are sometimes put on, but when it boils right down to it, they are of no value; they are not valid.

Clause 19 agreed to.

The CHAIRMAN: This brings us to a logical place in the Bill for a break.

Mr. Forgie: I move we adjourn.

The CHAIRMAN: Before we adjourn, let me remind you that we shall meet again on Wednesday at 3.30 p.m. Part III remains for discussion. We have a request from one organization to appear before us. We could hear them on Wednesday if we find we have sufficient time, or we could delay it until next Monday. What is your advice?

Mr. Forgie: Let us finish the act.

Mr. Speakman: Yes, let us finish the amendments to the act.

Mr. Clancy: They can wait until Monday.

Mr. Montgomery: We could hear the delegation on Monday.

The CHAIRMAN: Very well, we shall hear the delegation a week from today.



HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 15

JUN 9 1959

UNIVERSITY OF TORONTO

Bill C-50, An Act to amend the Veterans' Land Act

WEDNESDAY, MAY 27, 1959

WITNESSES:

Messrs. Lucien Lalonde, Deputy Minister, Department of Veterans' Affairs; T. J. Rutherford, Director, Soldiers Settlement and Veterans' Land Act; C. H. Scott, District Superintendent, Atlantic District; W. Strojich, Superintendent, Property Division; and D. M. Thompson, Director, Service Bureau, Canadian Legion.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

STANDING COMMITTEE ON VETERANS AFFAIRS

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Vice-Chairman: G. W. Montgomery, Esq.,
and Messrs.

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Batten	Jung	Pugh
Beech	Kennedy	Roberge
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Broome	Macdonald (<i>Kings</i>)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

WEDNESDAY, May 27, 1959.

The Standing Committee on Veterans Affairs met at 3.30 p.m. this day. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Beech, Carter, Denis, Dinsdale, Fane, Forgie, Fortin, Herridge, Lennard, Macdonald (*Kings*), MacEwan, MacRae, Matthews, Montgomery, O'Leary, Speakman, Stearns, Thomas, Webster and Winkler—(20).

In attendance: Mr. Lucien Lalonde, Deputy Minister, Department of Veterans Affairs; Mr. T. J. Rutherford, Director, Soldiers' Settlement and Veterans' Land Act; Mr. A. D. McCracken, Senior Administrative Officer; Mr. H. C. Griffith, Superintendent of Construction; Mr. W. Strojich, Superintendent, Property Division; Mr. W. F. Thomson, Superintendent, Supervision and Collection; Mr. C. H. Scott, District Superintendent, Atlantic District; Mr. S. O. Robinson, Supervision and Collection Division; Mr. W. G. O'Brien, District Superintendent, Edmonton District; and from the Canadian Legion, Mr. D. M. Thompson, Director, Service Bureau.

The Chairman observed the presence of quorum.

On the motion of Mr. Forgie, seconded by Mr. Montgomery,

Resolved,—That a document forwarded to the Chairman by the National Council of Veteran Associations in Canada relating to "Imperial Pensioners' Widows" be printed as an appendix to today's proceedings. (*See Appendix "A"*)

The Chairman called Clause 20 of Bill C-50, An Act to amend the Veterans' Land Act, and introduced Mr. D. M. Thompson, Director of the Service Bureau of the Canadian Legion.

Mr. Thompson spoke from a prepared text, copies of which were distributed to members of the Committee, expressing the Legion's views with respect to Clauses 15 and 20 of the Bill.

Mr. Speakman proposed that the following be added as sub-section (e) of Section 63 of the Veterans' Land Act:

"In any case where a veteran has prepaid his indebtedness to the Director in full, and has, after ten years, taken title to land and live-stock and equipment purchased by the Director for him under Section ten (10) (1) this veteran shall not be prohibited from obtaining additional Assistance as specified under Section 63 providing he enters into a new contract with the Director."

Mr. Rutherford and Mr. Lalonde were questioned concerning the effect of the adoption of such a proposal on the administration of the Act.

Following discussion it was decided to stand Section 63 and proceed with consideration of the remaining Sections of Clause 20.

Mr. Scott was called, and reviewed the benefits available to fishermen, particularly those engaged in their occupation off the Atlantic Coast.

Moved by Mr. Herridge, seconded by Mr. Speakman,

That,—The word “family” be inserted immediately following the word “economic” in Sub-section 3 of Section 64.

The motion was negatived, YEAS 2; NAYS 5, some members abstaining.

At 4.55 p.m. members were summoned to the Chamber and the Committee recessed.

At 5.20 p.m. the Committee resumed consideration of Clause 20.

On the motion of Mr. Thomas, seconded by Mr. Forgie,

Resolved,—That the Committee recommend to the House that Section 76 of Clause 20 be amended by inserting immediately following the word “Part”, appearing in Line 2, the words “except with the approval of the Minister”.

Following further discussion Clause 20 and the Title of the Bill were adopted.

At 6.05 p.m. the Committee adjourned to meet again at 3.30 p.m., Monday, June 1, 1959.

J. E. O'Connor,
Acting Clerk of the Committee.

EVIDENCE

WEDNESDAY, May 27, 1959.
3:30 p.m.

The CHAIRMAN: Gentlemen, we have a quorum. Can we proceed?

There are one or two items that have come to my attention since our last meeting that can be dealt with before we return to Bill No. C-50.

One is a letter from Mr. Hubert Baxter, war amputations of Canada, providing information on the imperial pensioners' widows. You will recall that when the war amps were before us they promised to submit some background information. They have supplied this in the form of a letter, and Mr. Baxter would like to have it brought to the attention of all members of the committee.

I presume the best way to do that is to have it printed as an appendix for the information of the committee. Do we have a motion to that effect?

Mr. FORGIE: I so move.

Mr. MONTGOMERY: Seconded.

The CHAIRMAN: Moved by Mr. Forgie, seconded by Mr. Montgomery.
Agreed.

The CHAIRMAN: Another matter which I mentioned the other day is that we have one group, the Canadian Association of Real Estate Boards who wish to appear before us with a presentation. I have now been informed that the Canadian Legion have a submission to place before the committee, too. I believe it is already in your hands. One problem arises in this connection. The president of the Legion, Mr. Burgess, as well as Mr. Thompson will be out of the city next Monday, and if it meets with the approval of the committee, perhaps we can hear their submission today. Is there any discussion on that point?

Mr. HERRIDGE: I suggest on the basis of good manners and for their convenience, that we hear them at this point.

Mr. LENNARD: When are we going to hear the real estate people?

The CHAIRMAN: On Monday.

Mr. LENNARD: Was that settled?

The CHAIRMAN: Yes. Is that agreed, without formal motion?

Agreed.

The CHAIRMAN: We can proceed now to hear the submission, and then carry on with Bill C-50. Mr. Thompson, I believe you are the spokesman.

Mr. Thompson is here and he will present the brief. Mr. Thompson, if you please.

Mr. D. M. THOMPSON (*Director, Service Bureau, Veterans Affairs*): Mr. Chairman and members, you all have copies of this brief before you and I know that you want to get on with your consideration of the balance of the bill. As you know the brief is not a lengthy one, and any questions you have, if you wish to ask them afterwards, we will be pleased to deal with them.

The Canadian Legion welcomes this opportunity to appear before the committee concerning Bill C-50.

We would, first of all, like to commend the introduction of this bill. We believe that the benefits of the Veterans' Land Act have been invaluable to those veterans established under this legislation, but this bill will make it even

more valuable and will encourage many more to participate. We also want to express our appreciation to the director, and his staff for the excellent work that they have done down through the years to ensure that the full spirit of the Veterans' Land Act legislation has been met. They deserve a great deal of credit for the success of veteran farmers.

We believe that Bill C-50 has been introduced as a means of bringing the provisions of the act more in line with present day costs. We suggest, however, that there is also a need to make some additional provision for the future. With this in mind we would refer specifically to two sections:—
Section 15—that is section 15 of the bill.

The proposed section 48, subsection (1) (b) sets a ceiling of \$10,000 on loans under this section. We note that in the past the act has not been amended more than once every four years. Building costs have continued to rise each year. Since it is not likely that the act would be amended annually we respectfully suggest that the amount of \$10,000 be increased to \$10,500, thereby providing a slight cushion for increases that probably will occur between now and the next amending of the act.

Section 20

This section of the bill proposes a new part III of the Act. In section 64(1) (c), the amount of \$20,000 has been set as the maximum financial assistance available. We believe that, although this amount is a definite improvement over the present \$9,000 ceiling, it will, in some cases, fall short of being adequate to provide for an economic family farm unit. This view is supported by recent increases in farm loan provisions in two provinces which established maximum credits of \$25,000. A study of the Veterans' Land Act survey of future credit requirements indicates that a percentage of present V.L.A. settlers would require more than \$20,000. These factors, plus the probability that costs will continue to rise and that the act will not normally be amended each year, lead us to recommend that this amount of \$20,000, as proposed in the new section 64 (1) (c), be raised to \$25,000.

The Canadian Legion firmly believes that the operation of the Veterans' Land Act has been good for Canadian veteran farmers, and we trust that some means will be found to extend the same friendly supervision and intelligent and efficient counselling service to Canadian farmers generally.

We thank you for your kind interest and trust that you gentlemen, concerned as you are with the welfare and future of Canadian veterans and their dependents, will see fit to recommend the two amendments that we have proposed so that this new legislation will not fall short of its objective.

The CHAIRMAN: Thank you, Mr. Thompson. We can now consider the submission, at least, as it refers to section 20 in our general consideration of part III. If that is your wish, are there any comments on the recommendation concerning section 15?

Mr. MONTGOMERY: Mr. Chairman, the other day, when the chairman or the director was explaining this to us, he felt that even the \$10,000 ceiling would not be reached for some time, if at all, because this money is loaned for the purpose of being used by people who build their own houses. In that case I am just wondering if the director would have anything further to say. After due consideration by those who have been handling the act it seems reasonable to leave it at \$10,000.

Mr. HERRIDGE: Mr. Thompson, your recommendation does not question the fact that \$10,000 might be sufficient at this time, but you are just suggesting the other \$500 as a cushion, in view of experience and periodic amendments of the act?

Mr. THOMPSON: That is right, Mr. Chairman. You realize that it is not always feasible to amend the act as changes come along, and costs have been rising. We feel the \$500 would be a good safety measure, now the bill is being amended.

Mr. BEECH: Mr. Chairman, is it not true also that the reason for the suggested increase has something to do with the increased cost of land, which is making it difficult for people in urban areas? Has it not something to do with that request?

Mr. THOMPSON: The increased cost of land and of building, which has continued to rise. There is no indication that it is not going to continue to rise, and we feel the extra \$500 will ensure the effectiveness of this legislation.

Mr. HERRIDGE: Mr. Chairman, I can give you a complete illustration of this. As Mr. Thompson knows, in the village of Castlegar they are commencing to erect a pulp mill, and the value of land available to veterans under this section and of small holdings has nearly doubled in the last three years, and will rise some more in the years ahead, because of the competition for sites.

The CHAIRMAN: Any further comments, gentlemen? Can we go back to bill C-50 and reserve any comments with reference to section 20 to the general consideration?

Agreed.

The CHAIRMAN: Brig. Rutherford, have you any further statement you wish to make before we resume our detailed consideration of the bill?

I presume we should carry on according to the pattern established on Monday; that is, to have commentary on each section as we proceed.

Brigadier T. J. RUTHERFORD (*Director, Soldiers' Settlement and Veterans' Land Act, Department of Veterans Affairs*): I think I have said everything I had to say, Mr. Chairman.

The CHAIRMAN: So that brings us to clause 20.

Mr. MONTGOMERY: It is really section 63; they have changed the number.

The CHAIRMAN: Excuse me. Clause 20, and following the procedure we adopted at our last meeting, we will proceed to section 63.

On clause 20—Cost to the director.

Mr. THOMAS: Since those are definitions, Mr. Chairman, there is not much comment to make.

Mr. SPEAKMAN: Mr. Chairman, in connection with section 63 of the act, I would like to suggest a further clause, to be known as clause (e) and I would like to bring in a little background on it, and then present my suggested clause for discussion.

The Veterans Land Act, as we all know, has been very successful; so much so that a good many of the people who settled in the early days, the more industrious and, perhaps, the more fortunate, have been able to repay their loans. A good many of these people have passed the ten-year stage, and they have now had the opportunity to be given title to both land, livestock and equipment.

When they receive their title at the end of this ten year period, if they take their title they immediately disallow themselves from any further assistance. I mentioned at an earlier meeting of this committee that I had a letter from one of these people who had paid his account and had received his title and had been required of course to sign a waiver to the effect that he would not come back and ask for more assistance.

This veteran is a good farmer like 99 9/10 per cent of V.L.A. settlers; they are good farmers and they are good workers. But I feel there may be some injustice being done to these people, who by their industry have managed to liquidate their indebtedness and to acquire their titles.

I suggest to the committee that a section (e) be added as follows:

Section 63

(e) In any case where a veteran has prepaid his indebtedness to the director in full, and has, after ten years, taken title to land and livestock and equipment purchased by the director for him under section ten (10) (1) this veteran shall not be prohibited from obtaining additional assistance as specified under section 63 providing he enters into a new contract, with the director.

I do not feel that there will be too many people who will wish to take advantage of this. But there will, I feel, be some who are soundly established now but who could make their establishments probably much more effective and more economically efficient. I do not think that these people, because of their industry and because of their thrift, who have acquired their titles, should be prohibited or barred from receiving further assistance. I would like to hear some comments from the officials and from the committee about this.

The CHAIRMAN: Everyone has the suggestion clearly before him, or would he like to have it repeated?

Mr. HERRIDGE: I think we have the gist of it.

Mr. CARTER: It boils down to whether a veteran who has repaid his debt and is considered to be settled, should take advantage of the general farm assistance program, or whether we should continue to develop a separate program for veteran farmers. I think that is the question which has been raised in my mind.

Mr. SPEAKMAN: We must remember that the V.L.A. settler is given a very advantageous interest rate at $3\frac{1}{2}$ per cent, and as the Farm Credit Act stands, he is given a much longer term in which to repay.

Mr. MONTGOMERY: I presume you refer to old time farmers?

Mr. HERRIDGE: Mr. Speakman has had a lot of experience. Perhaps he could illustrate with a case he has in mind.

Mr. SPEAKMAN: I mentioned this case at a previous meeting. A veteran had paid off his indebtedness to the director prior to the ten year period. He established a quarter section farm in an area which was a good district, and he had some very fortunate years. He went into livestock and at that particular time livestock took a very considerable rise in price and he was able, within a very few years, to repay his indebtedness. At the end of ten years he took his title and of course signed the waiver which prohibited him at that time from receiving further assistance.

Now this veteran finds his family is growing. He went and bought further land, but he finds he is paying a rather high rate of interest to the seller of this land, or to the vendor of this land. But if he were allowed to come back and re-enter a contract with the director, it would be of considerable benefit to him.

I feel there may be more of such cases where we can continue to assist the veteran despite the fact that he has completed one contract with the director. I do not think he should be prohibited from re-entering a further contract if he desires additional assistance.

Remember that at the time of his establishment in the first place this veteran was limited to \$6,000 for land, livestock and equipment.

Mr. HERRIDGE: This veteran has had to acquire more land to make his farm more of an economic unit under present circumstances, and because of that he is denied this grant?

Mr. DENIS: Can he not borrow under the general farm loan act?

Mr. SPEAKMAN: Yes, of course, but he would have to pay five per cent instead of $3\frac{1}{2}$ per cent and he would get a much shorter term loan. This man is under forty years of age and he could re-enter and have a 25 year period in which to repay.

Mr. O'LEARY: Is he not going to have to pay five per cent?

Mr. SPEAKMAN: No.

Mr. RUTHERFORD: He is not entitled to enter a part I loan, and if he came in for another part III loan, he would have to pay five per cent.

Mr. MONTGOMERY: I think Mr. Speakman has made a very good point. In addition to what he set out as benefits for veterans, why should we consider a veteran as an ordinary civilian since we are opening up the act; and secondly, a very important point in my mind is this: if he gets a loan under the farm loan board, or from any other organization, he does not get the counselling, the help, or the assistance that he gets under the V.L.A. I do not agree that your amendment should come in under 63; I think it should come in under 64. However, that is immaterial. I would support your idea.

Mr. SPEAKMAN: It is presently under 63 in the present act. I did a considerable amount of research into this and I find that this is where it comes in the present act. This amendment would fit into 63 as part (e) and still merge right into the present act.

Mr. HERRIDGE: We could leave that to the legal gentlemen to decide.

Mr. RUTHERFORD: This part of the act has been entirely rewritten so it would normally come into 64 now.

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): I wonder if the members of the committee have lost sight of one point, namely, that we have to administer more than the Veterans Land Act. I am afraid that departmentally we cannot lose sight of it.

The Veterans Land Act is an alternative benefit to certain other benefits under the charter. When a veteran has applied for training, let us say, to become a doctor, and we train him, and he secures his degree and he goes into practice, then as far as the veterans charter is concerned, this veteran is entirely rehabilitated and he joins the army of veterans who have become good productive civilians. But two years later this veteran may decide—and quite rightly—that instead of being a general practitioner he could do a lot better and it would be very advantageous for him to become a specialist in surgery. That veteran comes to the department and says: can I not get more training? We have to say no.

Conversely, a veteran has used his reestablishment credit, let us say, to buy furniture, and he comes to us two years after and says: I want to go into business. That is where I should have used my credits; that is where I should be given some help now. But we cannot do it because the act says that once you have used one of the alternative means of rehabilitation, you are considered to be rehabilitated.

So if you put into the charter a precedent that a veteran who is settled under the V.L.A. can be rehabilitated twice, I think it would have some bearing on other means of rehabilitation.

Mr. SPEAKMAN: On this very point, when I raised this question at an earlier meeting, I was told by the deputy minister that we were the people who could change this.

Mr. WEBSTER: When are we going to get them off the apron strings?

Mr. SPEAKMAN: These people were established on \$6,000. Now we are making \$20,000 available under this amendment. I think this is being a little harsh on people who are truly qualified as veterans and are entitled.

Mr. WEBSTER: He got his \$6,000 when prices were equal to \$6,000. The man has been settled, and now he has reached the stage where he wants an expansion. But why should the taxpayers support him in his expansion? He borrowed part of the money at $3\frac{1}{2}$ per cent.

Mr. SPEAKMAN: The government of Canada has loaned no money under the V.L.A.

Mr. MONTGOMERY: There is a distinction, I think, between what Colonel Lalonde has said and this part III. Actually this is purely and simply a loan which will be paid back at five per cent interest. If the man desires he need not take his title or pay off his loan, and he would still be entitled.

Mr. LALONDE: Under the set-up of the V.L.A. as long as the veteran owes money to the director, the title remains in the director. In this case the veteran would have to surrender his title again to the director and he would definitely, therefore, become established a second time. You see it is not a mortgage loan such as is given under the Farm Credit Act.

Mr. MONTGOMERY: I know actually it is not, and theoretically it is not; but from a practical standpoint he could easily beat it by deeding it back as security instead of giving a mortgage. I feel that the veterans will soon find out that they can get around this by not taking title. There will be a few who, in the past, will be stopped from doing it, but I think we might just as well come into the open. I think we can justify ourselves under this new part and take the title back, if the veteran wishes to deed it back as security. But maybe I am all wrong.

Mr. HERRIDGE: Are we not trying to help the veteran who has already done something for himself, when what we want to do is to help the remaining veterans and give them some opportunity whereby they will get the benefit of the interest and the supervision of the department?

Mr. DENIS: Do you not think it would be unfair for other categories of veterans who could not take advantage of that type of loan, as the deputy minister has said? The man could not benefit twice more under the same qualifications. The best thing to do, I think, would be to create a new law to make known that a special rate of interest is available if he wants to take advantage of the general farm loan, because there are provincial loans as well as federal loans. The only difference in the loans as they exist now is the difference of interest. So if the veteran can save $1\frac{1}{2}$ per cent if he borrows under this new amendment, how could the other categories of veterans take advantage of it, or have the same advantage of this section, because, as the deputy minister said, it is an alternative. If he wishes to be a doctor, he can get the necessary training, while the other man chooses to buy a piece of land and he has repaid it. But he could borrow under the Canadian Farm Loan Act which exists in most of the provinces of Canada, and still exists here federally.

Mr. O'LEARY: From what Colonel Lalonde has said it would appear to me that we should be asking for a change in the principle in that we would be asking for duplicate benefits. Maybe I am not correct, but that is my interpretation of what would happen. It would be an entire change of principle.

Mr. THOMAS: From listening to these remarks it appears to me there is some confusion over this interest rate. As I understand it, under the part III loan, both under the existing act and under this amending act, this part III loan had nothing whatsoever to do with provisional grants or the original low rate of interest at which veterans were settled on the land. These part III loans were of the nature of a straight commercial loan at 5 per cent interest on similar terms to the loans made under the Canadian farm loan board. It is

true that the veterans had the advantage of the benefit of supervision and advice and I would think that all veterans still would be entitled to have supervision and advice from the officers who supervised them originally. But I think we should be very careful in taking any action, as suggested by Mr. Speakman. While his proposal has my complete sympathy, I believe that what has been said about breaking the principle on which the whole veterans rehabilitation plan was based, that is, whether it was training, whether it was settlement on the land or whatever it was, the objective was to rehabilitate veterans into civilian life; and once rehabilitated, as has been pointed out, if we make an exception of veterans and rehabilitate them a second time or take any action which might tend to rehabilitate them a second time, I do not see how we could be in a very strong position when it comes to rejecting requests by other groups of veterans for a second chance.

So far as I can see, veterans who have taken title to their land, with the exception of the supervision and advice which they might get from V.L.A. officers, are exactly in the same position as borrowers under the farm loan board as they would be under the V.L.A. I think we should consider most carefully this suggestion, as it might place us in the position of breaking the principle upon which the whole rehabilitation of veterans is based.

Mr. SPEAKMAN: Mr. Chairman, I would like to say something about this. I do not think that any of these dangers which have been pointed out are valid for the simple reason that rehabilitation of a veteran under any other scheme in Canada has been amended, but the V.L.A. is now being amended upwards in relation to the amount of assistance available. These amounts were not available for these veterans in 1946, 1947 and 1948 and, therefore, we are denying the full benefit, which we are now extending, to those original settlers who were good settlers.

Mr. DENIS: Do you not think it would cost more to train a veteran today than it cost ten years ago?

The CHAIRMAN: Is the information correct, that there has been no upward amendment?

Mr. SPEAKMAN: There has been no revision of any other re-establishment under the veterans charter. Under the Veterans Land Act this is the second upward revision in the amount of assistance for which upward pricings were not available when they were established.

Mr. MACEWAN: For the sake of argument, Mr. Chairman, the deputy minister mentioned the principle of the act and that a change as suggested would affect other veterans. Have we not started to make a small inroad on this principle in section 46, which we went over at the last meeting. This amendment is to give a veteran who was paid an allowance under the rehabilitation act a chance to qualify under part II when building a home.

Mr. LALONDE: That is not a rehabilitation benefit.

Mr. MACEWAN: I realize that if a man goes through college he is completely qualified and paid his allowance, and then he wants to build a house, say, in a small town, for the purpose of setting up a practice.

Mr. LALONDE: But he does not get a conditional grant.

Mr. MACEWAN: But he could borrow under the act; that is the idea.

Mr. LALONDE: I am pointing things out to the committee; I am not expressing any opinion as to the validity of the suggestion.

I have another case in mind which I would like to bring to the attention of the committee so that they can mull over it. I am referring to the case of the veteran who received title from the director and for some reason or other decided that he wanted to sell his farm. He now comes back and says "I only sold my farm because I considered I did not have enough money". He

says he wants another farm and a bigger loan because his next door neighbour who took title the same as he did is now permitted to receive another establishment from the director. Now, are we going to be able to accept that argument on the part of this veteran and give him a second establishment?

Mr. SPEAKMAN: Then, Mr. Chairman, may I amend that by saying: where he reverts to the director the title of the land originally purchased for him by the director.

Mr. LALONDE: In the case I mentioned, he has no title to revert.

Mr. CARTER: Then he would not come under this.

Mr. SPEAKMAN: No, he would not.

Mr. MONTGOMERY: Under section 64, which is the next section, how much would the veteran have? Is there any fixed amount or limit to what he might owe on his first settlement before he can get a further loan?

Mr. RUTHERFORD: No. He could get the further loan the day he was settled under part I or, if he is at the point where he is earning his conditional grant he would owe about \$2,100 or \$2,200, if he had a full loan in the first instance. It would be somewhere in between these two figures.

Mr. MONTGOMERY: Supposing he had it paid down to \$100?

Mr. RUTHERFORD: It would be the same; he could get this loan, less \$100, and less any amount he owed under a previous part III agreement which he may have had.

Mr. DENIS: Suppose he got that second loan, would the director take his title back?

Mr. MONTGOMERY: He would still have it.

Mr. RUTHERFORD: His title would remain.

Mr. DENIS: Yes, but suppose he wants to borrow again on the same farm, would the director take back the title?

Mr. RUTHERFORD: We would keep the title. We have a great many veterans today—I do not know how many as we have given title to over 8,000—who have paid up, having passed the ten-year period, who are leaving their title with us although they do not owe money. We ask them to sign the certificate which Mr. Speakman mentioned when they come for their title. It is a notification that they have told us they understand they cannot get another loan; otherwise, they would leave the title and be still eligible for a loan under part III, even though they owe no money under part I.

Mr. SPEAKMAN: If they do not take the title they are eligible and if they take the title they are not eligible; that is just splitting hairs.

Mr. DENIS: Take, for instance, a case where after ten years he has his title and does not owe anything. He has his title to his home and he can do whatever he likes on his farm. Suppose he wants to borrow some money again on the same farm; would the director take back the title?

Mr. RUTHERFORD: No.

Mr. DENIS: Suppose a man sold to someone else, say, for a profit of \$5,000 and the buyer said he had not enough money, but if he could get from the Veterans Land Act a loan at 3 per cent he would buy his farm. In that case the veteran could go to the director and get the money at 3 per cent and then sell the farm afterwards.

Mr. RUTHERFORD: He could not do that. Civilians pay 5 per cent. If a contract is assigned, it is on a 5 per cent basis.

Mr. CARTER: Is there a provision written into the act which causes them to sign this waiver or are you doing it on your own?

Mr. RUTHERFORD: No. We do that so we will know that they understand they cannot get another loan.

Mr. CARTER: The act does not compel you to require them to do that.

Mr. RUTHERFORD: Not at all. It is an indication that we have told this man if he wants a further loan he has to leave the title with us and if he takes it out he is finished. It is just an indication of that. However, there is the continuing establishment provision. Anyone who sold their farm before the legislation was passed in 1949 can come back and, with the authority of the governor in council, be given a second establishment the same as someone who would sell today and ask for second establishment at the time of sale.

Mr. CARTER: What would be the position of the veteran who refused to sign the waiver and still left his title?

Mr. RUTHERFORD: He does not have to sign.

Mr. CARTER: So he would be eligible under the act for more money.

Mr. FORGIE: If he asked you for a receipt saying he was paid up in full, would you give him a receipt?

Mr. RUTHERFORD: Yes.

Mr. FORGIE: Or he could leave the title with you.

Mr. RUTHERFORD: Yes. It is an indication that we have told him: here is your title if you want it, but if you take it you cannot get a further loan under part III of the act.

Mr. FORTIN: If he does not take it, is he entitled to a second loan?

Mr. RUTHERFORD: It would not make any difference.

Mr. HERRIDGE: The principle of second establishment under the Veterans Land Act has been in effect partially since 1949.

Mr. RUTHERFORD: Yes.

Mr. LALONDE: Under certain circumstances well defined in the act.

Mr. THOMAS: Could we call that a second establishment or a double establishment?

Mr. RUTHERFORD: A continuing establishment; it is on another property but it is the same contract.

Mr. LALONDE: These are veterans who have not earned their conditional grant. In 1949 the law was amended because there were certain provisions which had to be changed. It was because of these provisions that these people had not had a chance to earn their conditional grant, so they were given the chance of a second establishment because of a flaw in the legislation at that time. They earned only one conditional grant in the end.

Mr. HERRIDGE: Mr. Speakman is asking the committee to consider giving these veterans the advantage of our once again remedying a defect in the law.

Mr. FORGIE: How many illustrations or examples have you of people who are asking for this amendment?

Mr. SPEAKMAN: I have but one complaint.

Mr. FORGIE: Would it not be a simple matter when his loan is paid, that he be told as long as he leaves the title with you he can secure a second loan, but if he takes the title away from you he cannot secure that loan.

Mr. RUTHERFORD: That is exactly what we are doing. We warn the man that if he takes title he cannot have a part III loan and as evidence of the fact we have warned him, we have him sign this certificate so he cannot say that he was not told.

Mr. LENNARD: Is that warning verbal?

Mr. RUTHERFORD: Oh, yes, except he signs the certificate.

Mr. FORGIE: You do not rush him into it?

Mr. RUTHERFORD: No.

Mr. LENNARD: It is done verbally?

Mr. RUTHERFORD: Yes, but he signs a slip to say he has been told that has been the practice only since 1955. It was the passing of Part III that made this necessary.

The CHAIRMAN: Gentlemen, I do not want to cut off discussion on this very interesting suggestion, but as I listen to the discussion it seems to me that there is a degree of uncertainty as to the background information. The deputy minister has suggested that there might be a new principle involved here. Mr. Speakman, putting forward the suggestion, has indicated that he would like to reword his suggestion. There is also the possibility that this involves an increased cost to the crown, which of course is beyond the power of the committee to undertake.

That being the case, I wonder if the best procedure at this stage might not be to stand the clause so that we could have some of these uncertain points clarified. Certainly it seems to me—even though Mr. Speakman has suggested that this is a self-sustaining fund—that there is a possibility of a difference of opinion on that score, and I think we should have some expert information.

Mr. LALONDE: This, Mr. Chairman, is definitely a money bill, because the estimates of the director have to be voted each year, and that is why there was a resolution introducing this bill into the house. So that the committee, in this instance, would have to make a specific recommendation to the government to consider amending the bill.

But the committee itself cannot make amendments to any of those clauses because, as I have said before, this is a money bill.

Mr. DENIS: Unfortunately for my good friend, I think the chairman should rule it out of order, and we can see next year—

Mr. HERRIDGE: Mr. Chairman, I move that we consider the remainder of the bill and then get some of the evidence with respect to Mr. Speakman's amendment before we draft the report of the committee on this bill.

The CHAIRMAN: What is the first part of that motion, Mr. Herridge?

Mr. HERRIDGE: That we continue to consider the remainder of the bill.

The CHAIRMAN: Stand the clause for further information?

Mr. HERRIDGE: Stand the clause until we consider the remainder, and then a special consideration of this amendment, with expert advice, prior to drafting the final report of the committee.

Mr. CARTER: Mr. Chairman, I think we have to be very careful which clause we stand because—as has already been pointed out—that new clause would come under 64. It would come under 63 in the old act, but, as rewritten, it would come under 64. So we would have to stand 64.

The CHAIRMAN: To clarify that, I think perhaps we could agree on 63—which concerns itself mainly with definitions—and proceed at this stage to 64, which is really the section we have been discussing.

Mr. SPEAKMAN: Mr. Chairman, it is my respectful submission that this further amendment belongs in section 63 as a clause (e). I spent considerable time over this on the weekend and I got in touch with V.L.A. officials in regard to this part of the act, and it is my respectful submission that this should be a clause (e) in 63.

Mr. HERRIDGE: Mr. Chairman, we can stand the amendment.

The CHAIRMAN: Yes. I think Mr. Herridge's motion is a good one. Can we have a seconder?

Mr. FORTIN: Yes.

The CHAIRMAN: The motion is that we stand this proposal as presented. We are very much in the dark as to several imponderables. Is there any further discussion?

Mr. MONTGOMERY: Mr. Chairman, is there any need to stand 63, or is there any need to stand any? We stand the amendment because—

Mr. HERRIDGE: That is what the chairman said—we are deferring consideration of the proposal.

The CHAIRMAN: Fine.

Mr. MONTGOMERY: If it is considered favourably, they can put it on to whatever section they wish.

The CHAIRMAN: Yes. That is clearly understood; we are standing the proposal for further information.

Some hon. MEMBERS: Agreed.

Mr. THOMAS: Mr. Chairman, is there a motion before the committee?

The CHAIRMAN: There is a motion by Mr. Herridge—and a seconder.

Mr. THOMAS: Do we have a motion for the proposed amendment?

Mr. MONTGOMERY: It was moved by Mr. Speakman, was it not?

The CHAIRMAN: We are not moving Mr. Speakman's proposal as to the amendment; we are merely accepting a motion from Mr. Herridge that the proposal stand for further consideration at our next meeting. I believe that is the intent.

Some hon. MEMBERS: Yes.

Mr. HERRIDGE: Defer consideration of Mr. Speakman's proposal, and proceed with the remaining clauses in the bill.

The CHAIRMAN: Yes.

Mr. STEARNS: Actually, Mr. Chairman, does it not come under the same category as this presentation by the Canadian Legion, which they made in a brief today?

The CHAIRMAN: At this stage, it does, unless Mr. Speakman wishes to pursue it further. Is the motion by Mr. Herridge seconded by Mr. Fortin, agreed to?

Motion agreed to.

The CHAIRMAN: That disposes of section 63, I presume? Does section 63 carry?

Section 63 agreed to.

The CHAIRMAN: Section 64?

On section 64—Assistance loans to full-time farmers.

Mr. SPEAKMAN: Mr. Chairman, may I jump up again? The Legion have sort of stolen my thunder on this, but in my study of this I proposed to ask that the committee consider, or that the amendment be amended to change the amount to \$25,000, in conformity with loans which are in existence today in the provinces of Ontario and Quebec—farm loan schemes—which the new government of Manitoba has passed in its recent legislation, and which is now proposed by one of the campaigning parties in the province of Alberta.

I do not feel we should place the veterans of Canada in an inferior position to anybody else, when it comes to the lending of money for their establishment.

Mr. HERRIDGE: Mr. Chairman, as a member of this budding coalition down here, I want to support Mr. Speakman's suggestion. I do think, in view of the legislation that is in effect—and from my knowledge of a good number of veterans who have settled under this act—that the \$20,000 is not quite sufficient. I think \$25,000 is a figure more in relation to the needs of a good many veterans who would benefit from this act.

The CHAIRMAN: Mr. Speakman and Mr. Herridge, I presume you are putting this forward as a suggestion?

Mr. SPEAKMAN: As a proposal—a suggestion.

Mr. HERRIDGE: With the high expectation of its receiving some support.

The CHAIRMAN: Is there any further discussion? We are on 64 (1) at the moment.

Mr. MONTGOMERY: Mr. Chairman, I think I should perhaps express my thoughts on it, because I heard there would be an amendment coming forward. Again, I must say that I feel that the people who know more about the whole administration of this act than anybody else—including the members of parliament—have come forward with a recommendation for \$20,000, and I think they must be pretty satisfied that that is the ceiling they require, maybe not now, but within the next few years.

Of course, I come from the east, and farmers are not so well off as they are in the west, and that sort of thing; but if you make this amount too high, what you are going to do is impose quite a burden, maybe—and I should like to hear from Mr. Rutherford on this—in keeping down loans where, in most cases, they should be held down. I think they know better than most of us; but if money is available, a man will get his member of parliament, or his friends, or anybody on the member's back to try and get him this money. It seems to me that, with all this veterans counselling and lending in the past, they have done a good job, because they were able to convince a man that he had to be satisfied with a certain kind of loan, and there was a ceiling on it. Now the ceiling is being raised, and they are going to have a hard job to keep many fellows down below the ceiling, when maybe they should be kept down.

I realize there is something in what Mr. Herridge and Mr. Speakman have said, maybe, as far as the west is concerned; but there will be a few veterans—I doubt if there will be very many—that would need more than \$20,000.

Mr. HERRIDGE: I know one farmer who bought \$40,000 worth of equipment alone.

An hon. MEMBER: It is too much.

Mr. MONTGOMERY: I should like to hear from Mr. Rutherford before I say anything else, because at the moment I am not in favour of it.

Mr. LALONDE: Before you put Mr. Rutherford in a very bad spot, Mr. Montgomery, I should like to explain our position. This is a matter of policy and, therefore, I do not think that, as civil servants, we are at liberty to express opinion as to government policy, and we are not at liberty to discuss it. The position that we are in is that we have made certain suggestions through our minister, and cabinet has made certain decisions. We are not in a position at this time to know what the amounts will be in either the Canadian Farm Loan Act or the Farm Improvement Loans Act; the only thing I can say is that the minister has authorized me to say to the committee that he wants to give you the assurance that whatever amounts are in the other two acts—whatever combined amounts are in the other two acts—he will insist that the veterans get the benefit, moneywise, of the same amounts. What those amounts will be, we do not know.

Mr. O'LEARY: Why, then, put a ceiling in here at all?

Mr. LALONDE: Because there may be other sources from which veterans may borrow, depending on the other legislation. At this stage, though, I am afraid that we are not in a position to help the committee in this respect, because you realize that we have no knowledge of what will go in the other legislation, but we know that this is what cabinet has approved with respect to the Veterans Land Act amendment.

Mr. MONTGOMERY: I take it, then, this bill perhaps will not go forward to the house until after the other legislation?

Mr. LALONDE: I have no idea, sir.

Mr. MONTGOMERY: But I think the explanation satisfies me.

Mr. HERRIDGE: I think—without transgressing the protocol of officialdom—a member of the committee could ask the director if, in his experience, he has knowledge of any circumstances where he could say that the man could properly use, with adequate security, \$25,000.

Mr. MACEWAN: I think Mr. Rutherford made a statement at the previous meeting of the committee, on Monday, which outlines more or less his ideas on it. Perhaps we can go by that—if you can recall reading it, Mr. Herridge.

Mr. O'LEARY: The answer to Mr. Herridge's question, then, would be in the affirmative.

Mr. DENIS: Mr. Chairman, I am sure that if a man borrows \$20,000 for equipment alone, as Mr. Herridge suggests, he would go bankrupt in six months.

Mr. SPEAKMAN: Mr. Chairman, may I go a little further? Veterans Land Act establishments are a combination of several things: they are, first of all—the veteran, his land and the wise and efficient counselling which he receives from his supervisor. This makes—and has made up until now—a very successful marriage, and the product of this marriage is, I think, very evident in Canadian agriculture today, and will continue to stand out as an example of how a supervised farm credit scheme can be one of the finest assets of a young and vigorous country.

I would suggest, gentlemen, that the ceiling of \$25,000 receive the same careful and efficient attention as the original ceiling of \$6,000 has received, and the previous amendment of \$9,000. The Veterans Land Act has a very fine staff and I think we need have no fear that every veteran will rush in immediately and want \$25,000. He will require, and will receive, the amount which has been arrived at by consultation and decision between himself and the officials of the department as against the proposition that he is advancing.

Mr. HERRIDGE: There is no need for me to repeat Mr. Speakman's words. I simply say "amen".

The CHAIRMAN: I think we will have to separate those two gentlemen at the end of the table.

Mr. SPEAKMAN: I needed support and that is why I sat here.

Mr. THOMAS: Mr. Chairman, I notice from the information that has been prepared—I see Brigadier Rutherford has a copy in front of him—looking through it this morning, it seems that approximately 5-point-some per cent of the veterans would require loans greater than \$20,000, if my memory serves me correctly.

Mr. RUTHERFORD: Three hundred out of 5,000 sir, who asked for loans higher than that.

Mr. THOMAS: That amounted to about five per cent.

Mr. RUTHERFORD: About five per cent.

Mr. MACDONALD (*Kings*): Would there not be likely to be more applications than that, with the legislation that is on the statute books?

Mr. RUTHERFORD: One would have to do a little crystal ball gazing to know that, but I think there would. I think this is a very conservative estimate here, because it was done without full anticipation of loans of any size being available.

The CHAIRMAN: We have the suggestion from Mr. Speakman. Is there any further discussion on that point, under section 64(1)?

Mr. CARTER: Yes, I want to know why the full-time fisherman is not recognized; he is put on a par with a part-time farmer. I would like Colonel Lalonde to explain why that is not so.

Mr. RUTHERFORD: Mr. Chairman, fortunately, Mr. Scott, the V.L.A. district superintendent from Atlantic district, is here. I brought him with me in anticipation of your question, sir, and he would be very glad to help us on that particular subject. Mr. Scott.

Mr. C. H. SCOTT (*V.L.A. District Superintendent, Atlantic District, Veterans Affairs*): Mr. Chairman and gentlemen, I could have said I was very happy to be here today, until you called on me; but actually, I come from the district—from which I see four or five of the members here present—where fishing is one of the big industries.

I think you all will admit that in so far as the Veterans Land Act is concerned, with the revolutionized forms of fishing carried on today, that it will not supply the requirements necessary to outfit their boats and to provide the necessary equipment.

But, after all, the Veterans Land Act is a housing scheme, in so far as veterans are concerned. When the act was set up, what we knew as the inshore and offshore fishermen who could use \$1,200 for fishing equipment—it set up many of those men in the inshore fishing business; but with the change in fishing techniques that is not possible, and even if you did bring the commercial fishing aspect into focus with what you are talking about now in so far as full-time farmers are concerned, I feel you would not need it.

In order to substantiate that, I want to quote to you a few of the figures that I assembled prior to coming here to show you what financial assistance is available to fishermen.

In Nova Scotia they have the provincial fishermen's loan board. For boats under 10 tons the borrower—and, of course, that does not only include veterans, but fishermen in civilian walks of life—they are required to pay 50 per cent of the cost, the terms not exceeding five years, and the interest rate is four per cent.

Longliners and draggers, of approved type of construction, initial payment 18 per cent of the cost, terms up to 12 years, interest rate of four percent.

Longliners up to 55 tons registered tonnage cost from \$35,000 to \$40,000; and draggers average 40 tons—I think you will substantiate that figure, Mr. Carter—cost up to \$60,000.

In New Brunswick, fishing boats and draggers—for new ones—in that case assistance can be provided on a down payment of 30 per cent or up to \$8,000. A federal subsidy is credited towards the initial payment. This sum of money is paid to and administered by the fishermen's loan board. There are repayment terms, up to 10 years, at an interest rate of four per cent. Insurance that is carried on the vessels over \$10,000, with Lloyds of London, half of the premium is paid by the board, and the remainder is a fixed annual charge to the operator.

In New Brunswick, I am informed, there are 82 draggers, an average size of 60 to 65 feet, or 40 to 45 tons. The cost of the hull and equipment is between \$40,000 and \$60,000.

Provincial financial assistance is available in Prince Edward Island and Newfoundland on similar terms and basis as that of Nova Scotia and New Brunswick.

Federal government subsidies are paid at the rate of \$165 a ton, registered tonnage, for fishing boats of approved type. In Nova Scotia the full amount of subsidy is paid to the fishermen's loan board for administration by them on completion of the boat after the trials are carried out and acceptance has been made by the board. One-fifth of this subsidy is credited to principal debt annually. The fishermen must operate the boat for a period of not less than five years to obtain full benefit of the subsidy.

The subsidy regulations are contained in order in council P.C. 1958-1146, and in Newfoundland a provincial subsidy of \$90 per registered ton is available to fishermen in addition to the federal subsidy of \$165 per ton.

In addition to that, through the loaning facilities of these boards, fishermen can obtain loans to erect. First for the purchase of fishing equipment they can obtain up to 70 per cent of cost on new fishing equipment, and 60 per cent of cost on old equipment.

The repayment terms are on a three-year basis and that is, of course, understandable, because a great deal of fishing equipment would wear out in that time. With regard to primary catching devices, assistance may be provided for that, at a rate of 60 per cent of cost, with terms up to three years; and the same applies to major repairs or overhaul.

Insurance covers boats up to the value of \$10,000, and the rate is 1 per cent, appraised value. Sixty per cent of value is repaid in the event of total loss.

As you know, fishing equipment may also be insured, but there is a very heavy loss in certain items of equipment, like lobster traps, which are very highly perishable.

In addition to that, the borrowers can get a rebate of 50 per cent of the cost of salt used; and federal assistance is also available for bait freezers, which can be supplied in areas where there are no special freezers set up.

Of course, the fishermen are entitled to draw unemployment insurance, and I have the rates here; but do not think it is necessary for me to quote them.

In Prince Edward Island there are three draggers operated under the plan; and the same in New Brunswick. In Nova Scotia there are five draggers and three longliners, and application has been made to the loan board for a fourth. In Newfoundland we have no established fishermen operating this type of large longliner dragger vessel that I have described.

Now, with regard to getting equipment, the \$1,200 that is allowable for the purchase of equipment today could not buy a decent boat and the engine to operate it. So in many cases the director has purchased the boat and the district superintendent, on his behalf, has given a waiver to the loan board for the engine.

As I said at the beginning, the fishing industry has certainly been revolutionized in the last ten years; and, of course, all types of fishermen have to go along with it. Therefore, whereas at one time one man would operate his boat alone, there are partnership agreements, and loans are provided that way.

I hope, gentlemen, that this sparse bit of information that I have given you is of some value, but I think it is pretty definitely known that the bona fide fisherman is able to get assistance from the fisherman's loan board.

I see the member for Antigonish-Guysborough, as well as the one from Kings, Prince Edward Island, with Mr. Carter from Newfoundland, are here, and I think perhaps they will be able to substantiate the information I have given you. Thank you very much.

MR. CARTER: May I ask, Mr. Chairman, if you have the statistics, how many fishermen in the maritime provinces have taken advantage of this legislation?

MR. SCOTT: There are 669.

MR. CARTER: There are 669?

MR. SCOTT: Yes, of which we have 493 left.

MR. CARTER: And 493 are still left?

MR. SCOTT: Yes. Stangely enough, Mr. Carter, we have not equipped as many commercial fishermen in Newfoundland as I expected.

Perhaps you will recall you were one of the first people I met when I went down there, and you were kind enough to help me in many ways. At that time we thought that with the huge coastline and the fact that the Newfoundland fishing industry was one of the largest industries of the province, we would have a lot more. However, actually we have had very few applications for commercial fishing in your province.

Mr. THOMAS: Mr. Chairman, your maximum loan under that act, given to us—what is the maximum loan under that act?

Mr. SCOTT: The Canadian Fisherman's Loan Act, sir?

Mr. THOMAS: Yes.

Mr. SCOTT: No; I am sorry, I have not got it. I told you that the draggers average about 40 tons, and they cost up to \$60,000. I think the amount is proposed—you should not quote this because I am not sure—but I think the amount of the loan is 70 per cent.

Mr. MATTHEWS: How many veteran fishermen have taken advantage of tihs in British Columbia? Have you the figures?

Mr. BEECH: While we are trying to get this information, might I ask if there is any definition of economic farm unit?

Mr. LALONDE: It is referred to in a subsequent section, Mr. Beech.

Mr. CARTER: May I make one comment on what Mr. Scott said. There might be some misunderstanding. I am not familiar with the conditions of loans in Nova Scotia and the other maritimes, but in Newfoundland these rather big loans are available only to fishermen if they can make a substantial down payment. The majority of fishermen cannot make that down payment. That is the reason nobody has taken advantage of this legislation, or why very few are taking advantage of the potential assistance or plans for assistance. It is because to take advantage of it you must have assets, or you must have money to put up a considerable down payment in order to take advantage of it in the first place.

Mr. SCOTT: Is it not so, that the fishermen in Newfoundland work on a partnership basis, particularly in your constituency, Mr. Carter, around the southeast coast of the province?

Mr. CARTER: Not to any great extent. Usually one person carries the loan. As you say, you may get a new longliner built for \$6,000, but before the loan is paid off, the boat is worn out and the fisherman is no better off.

Mr. O'LEARY: What Mr. Carter says is true. I agree; but the words "down payment" are not entirely correct. I think the word "equity" would be better.

Mr. SCOTT: Yes, equity is a better word.

Mr. CARTER: That is right; equity would be a better word to use.

The CHAIRMAN: Is there any further discussion on this point?

Mr. THOMAS: It would be correct to say that loans under the Canadian Fisherman's Loan Act have been made in the amount of \$42,000?

Mr. SCOTT: Yes, I have been told that is correct, but not under this act. That was under the Canadian Fisherman's Loan Act.

Mr. CARTER: In the figures you mentioned, were those 660 fishermen for all Canada or just for the maritimes?

Mr. SCOTT: No, for the Atlantic region.

Mr. CARTER: Do you know the total amount of the loans for those 660 fishermen?

Mr. RUTHERFORD: There were 241 settled in British Columbia, and 192 are still on our books. I am speaking of the commerical fishermen in British Columbia.

Mr. SCOTT: The amount would be approximately between \$360,000 and \$375,000. But mind you, we have many top flight fishermen established, some in Prince Edward Island particularly at Rustico; and one of our fishermen, you may recall, took the Governor General out for two weeks when he was down there. He had one of the better types of boats.

On section 64 (1)—Assistance loans to full time farmers.

Agreed.

On section 64 (2)—Purposes for which loan may be made.

Agreed.

On section 64 (3)—Loans only for establishment of economic farm unit.

Mr. HERRIDGE: In this connection, because I have a general interest in the use of the term "family farm", I move that this committee recommend that line five of section (3) be amended so as to include after the word "economic", the word "family", so that the line would read: "economic family farm unit".

That should not upset the balance of payment very much.

The CHAIRMAN: Do you have a seconder?

Mr. SPEAKMAN: I will second the motion. The coalition is still working.

Mr. THOMAS: What about the bachelors?

Mr. RUTHERFORD: They would qualify, sir.

Mr. LALONDE: I am not speaking as to the merit of the suggestion now, but I would like to point out that it was intended, through the new section 75 of the act which is on page 11 of the bill, that the director himself would make recommendations to the governor in council so as to define economic farm unit. I am sure that the director had the word "family" in mind at that time, but to take care of the point raised by Mr. Thomas, it was not felt necessary to put it in the act. That is why the governor in council was to be given authority to make regulations to define that particular term.

Mr. HERRIDGE: Your argument is very logical, but sometimes logical arguments are not practical, as far as affecting public opinion is concerned.

Mr. LALONDE: I am not arguing.

Mr. HERRIDGE: Pardon me; well, making timid suggestions. I know a good many people are interested in farming in Canada, and they are trying to build up the national section of the family farm. I think that the definition offered by the director was an excellent one. I thought we should do all we could in that respect so as to indicate in the legislation what our objective is. We are not trying to build up industrial farm units, but to re-establish rural Canada by building up family farms.

The CHAIRMAN: I presume the law officers of the crown have considered this wording very carefully. If I might be allowed to make an observation, it is surprising the number of bachelors who are operating farms out in western Canada. I hope that this additional word will not have the wrong connotation in that respect.

Mr. LALONDE: You will remember the definition given by Mr. Rutherford the other day for "economic family farm unit"; it was a farm being operated entirely by a veteran and his family. In the case of a bachelor, he would have to find some way to increase his family, but it should be good and legitimate.

Mr. HERRIDGE: By a farmer or by his family?

Mr. RUTHERFORD: It was definitely meant to mean bachelors as well.

The CHAIRMAN: The word "family" has a particular meaning.

Mr. SCOTT: It is a very important word.

Mr. MACDONALD (*Kings*): I would point out in a few cases widows have carried on, and I do not see that an amendment is necessary. We all realize that is so.

The CHAIRMAN: There goes the division bell. We shall have to answer the summons of the bell.

Mr. THOMAS: When shall we reconvene?

The CHAIRMAN: We shall continue following the vote in the house. We shall resume following the vote.

(The committee adjourned in response to the division bell).

The CHAIRMAN: Gentlemen, we have a quorum again, so I think we should proceed. We were dealing with the proposed amendment which was moved by Mr. Herridge and seconded by Mr. Speakman with respect to changing the wording of line 5 in section 64(3) to "economic family farm unit". There was some suggestion this might discriminate against bachelors and widows. It seems to me that the word "family" does mean a special situation. I am wondering if Mr. Herridge is going to proceed with the amendment and whether he wishes that implication or does he really mean "family type farm".

Mr. HERRIDGE: That is what it means. We are speaking of it in the applied sense in the public mind—a unit operated by one person or a family, one person and a family.

Mr. SPEAKMAN: If we go back a little and read the section, it says:

No advance shall be made under this section by the director unless the financial assistance requested by the veteran is, in the opinion of the director, necessary for the development and proper operation by that veteran of an economic farm unit.

I emphasize those words. In this case we are saying "of that veteran and his family". The word "family" in this case does not mean that every bachelor has to rush out and get married; it means veterans and any persons living with them.

Mr. THOMAS: Again the suggestion has my sympathy, but are they not bringing a new principle into the veterans act. I know there is a good deal of talk about the policy of supporting family type units. Well, we are not laying down general policy; we are laying down policy only so far as veterans are concerned and I think we would be wise to leave out the word "family". In this case we are dealing with veterans. I think the wording here is very clear so far as veterans are concerned and rather than put in a word which might lead us into misinterpretation or some trouble, I would be inclined to leave it alone.

The CHAIRMAN: Is there any further discussion, gentlemen?

Mr. BEECH: I would like to point out that the committee has only the power to move to recommend; we cannot move to amend the act.

The CHAIRMAN: We have Mr. Ollivier here and perhaps he could explain this.

Mr. P. M. OLLIVIER (*Parliamentary Counsel*): You can move to recommend only in the case where you increase the expenditure; otherwise you can move any amendment you want. If you want to make an amendment that would involve an expenditure, then there is a procedure provided for that. We have done it many times. You can move amendments if they do not increase the expenditure.

The CHAIRMAN: Thank you, Mr. Ollivier. Is there any further discussion?

Mr. MONTGOMERY: I rather feel, Mr. Chairman, that we would be safe in leaving it to be defined in the regulations.

Mr. FORGIE: I do not think there is any necessity for doing it; I think it is all right the way it is.

The CHAIRMAN: Are you ready for the motion, gentlemen. All in favour? Contrary? I declare the motion defeated.

Section 64 agreed to.

The CHAIRMAN: The next is section 65.

On section 65—assistance loans to part-time farmers and commercial fishermen.

Mr. THOMAS: This takes us back to where help might be made available for fishermen. I would like to hear from the members from the maritimes in connection with this. I would like to know how they feel. It is the same thing for part-time farmers and fishermen. I would like to know if they are satisfied with the present arrangements or whether they think something should be done in connection with these loans to part-time farmers by way of an increase.

Mr. CARTER: Well, the increase for the commercial fishermen is in the same proportion as the increase to the farmers. In the one case it went from \$9,000 to \$20,000, which was double and a little more; in the other it went from \$1,400 to \$3,000, which is double and a little more. It is in proportion. Now, if you raise it up to \$25,000, I think the same recommendation should be made with respect to fishermen. I do not know what assistance this is going to be at the present time to veterans in my province. It is possible they may be able to use it, but it depends on the type of fishing they are doing. If they are going to engage in a shore fishery, this amount will be of some use; if they are going into the longliner, this \$4,000 will not be of any benefit to them because it will not be enough. What happens—and I do not see how you can get around it because there are so many types of fishing—is that this assistance will assist fishermen who engage in one type of fishing but will not assist those who engage in another type of fishing.

Mr. MACDONALD (*Kings*): Mr. Chairman, I agree with what Mr. Carter has said in this regard. This will be of considerable help to what we call the small boat fishermen. I do not think the act was ever intended to cover those in the much larger operations of dragging and so on. There is other provincial legislation to cover enterprises of that nature. I think this would be quite welcome and adequate at the present time.

Mr. O'LEARY: In speaking for my constituency in Nova Scotia, Mr. Chairman, I do not know of any incidences of veteran fishermen who are in difficulties—at least to my knowledge—that would require any change.

Section 65 agreed to.

Sections 66 to 68 inclusive agreed to.

Mr. CARTER: Mr. Chairman, could I revert and ask one question on 65? Could this be used for equipment—to get nets and twine—as well as boats?

Mr. W. STROJICH (*Superintendent, Property Division, Soldiers Settlement and Veterans' Land Act*): No; this grant for the assistance of fishermen is limited to part I of the Veterans' Land Act. In that part you get a grant up to \$1,200. The amendment merely provides that another \$3,000 will be available for the construction of a home, the buying of land and the shore installations; but not for actual fishing equipment.

Mr. CARTER: You cannot get anything under 65 for fishing equipment?

Mr. STROJICH: No.

The CHAIRMAN: We had come as far as section 68. I think our terminology here should be "section 68, under clause 20".

Mr. THOMAS: Mr. Chairman, in connection with section 68, I believe that under the original act a veteran could pay off his loan at any time without notice of bonus.

Mr. RUTHERFORD: That is correct.

Mr. THOMAS: Is that provision still going to be carried forward in the new act?

Mr. RUTHERFORD: Yes—no change.

Mr. THOMAS: And that will apply also to these special loans which may be made—part III loans?

Mr. STROJICH: All the loans under the Veterans' Land Act are repayable without interest or bonus at any time.

Mr. THOMAS: Without notice of bonus.

Mr. STROJICH: Without notice of bonus; I am sorry.

The CHAIRMAN: Is 68 carried?

Sections 68 and 69 agreed to. On section 70—Director to take security.

Mr. HERRIDGE: Mr. Chairman, I would like to ask the director a question. Why do you confine the security in livestock to the basic herd?

Mr. RUTHERFORD: Mr. Herridge, we do not want to put long-term loans in livestock; that is, livestock bought for feeding, feeder cattle or feeder sheep bought in the fall and sold in the spring, or pasture cattle bought in the spring and sold in the fall. This is something we feel should be financed by ordinary methods through the banks and is certainly not appropriate for a 30-year loan.

We are confining it to basic herd livestock, and you might be interested in knowing how we define "basic herd". This will probably be a definition going into the regulations, and you should know what ideas we have as to how it should be defined.

We feel it should be defined as "female cattle, sheep and swine, with the appropriate percentage of registered male stock". In addition, in the case of sheep, one year's progeny—that is, the sheep and their lambs—and, in the case of cattle, two years' progeny, as it takes two years for cattle to develop to market age. So you set up a breeding herd with cattle you can sell next year, and with calves coming along to take their place.

This is quite a broad definition of a basic herd; it is not the official definition used by the income tax people, but it is the one intended to be used in the regulations.

Mr. HERRIDGE: Thank you; that is interesting.

The CHAIRMAN: Is section 70 carried? Sections 70 to 74 (2) inclusive, agreed to.

On section 75—Regulations.

Mr. HERRIDGE: Under this section, Mr. Chairman, we have the assurance of the director and senior officials that the family farm is going to be described in the regulations?

Mr. LALONDE: That is right, sir.

Mr. RUTHERFORD: The economic family farm.

Mr. HERRIDGE: Yes, the economic family farm. I shall be interested to see how you get around bachelors and widows.

The CHAIRMAN: Is section 75 carried?

Section 75 agreed to.

On section 76—Prohibition.

Mr. THOMAS: Mr. Chairman, I am just reading through section 76. I feel that it is one that we should take a little more time on and not be too hasty about:

Notwithstanding anything in this Part, no loan shall be made under this Part to a veteran who is in default under a Part I contract or who is indebted in respect of any loan made pursuant to the *Veterans' Business and Professional Loans Act*.

Mr. THOMAS: From my experience in farming, I can well understand how the veteran might well have, over the years, got into difficulties and may have been hanging on by a slim margin for some years, may be able to carry on but still carrying a certain load of past indebtedness.

I think section 70 is too drastic. I do not think anything should be put in the way of a new deal being offered to a veteran when, after consultation with the V.L.A. officials, it is felt that he might be given an opportunity to expand his operations, or reorganize his operations, in such a way as to help him.

Section 76 looks to me to be altogether too restrictive and too harsh, and I would not be in favour of it, in the form in which it is.

Mr. HERRIDGE: Are you not now using the contrary argument to the one you used to Mr. Speakman's amendment?

Mr. THOMAS: Not at all, sir. Mr. Speakman's proposal had to do with a veteran who, to all intents and purposes, has been rehabilitated, who has paid off his entire indebtedness, has taken the title of his land, his debts are paid, he is clear, he is supposed to be free of debt and able to go forward on his own.

Mr. Speakman's proposal, as I understand it, was that that veteran, because he did not know that the loan limits were to be increased, should now be given an opportunity to come back under the V.L.A. umbrella, so to speak, borrow more money, and in so doing almost become rehabilitated for a second time—not that he is going to receive any grants. But, to my mind, he can go out and borrow money from the farm loan board under just as advantageous conditions as he can borrow under the Veterans' Land Act. That is why I opposed Mr. Speakman's suggested amendment.

I think we are possibly violating the principle of rehabilitation of veterans, in that once a veteran is rehabilitated we allow him to come back for more. I do not feel too strongly on that, but I do feel strongly on this section 76. Just because a veteran is in difficulties—and has been in difficulties, maybe, for years, either through his own fault or through force of circumstances—if his affairs can be reorganized and more money put into his business so as to give him a chance of success, I do not think we should allow anything to go through which would stand in the way of that chance.

Mr. CARTER: Mr. Chairman, I agree with Mr. Thomas. Supposing a veteran owes \$1,000; why could he not take advantage of this section and get a loan which would repay his indebtedness under part I and start him off with a certain amount of assistance, to improve his circumstances?

I do not think we should debar a person, if we can give him some assistance in the way of a loan, less his indebtedness.

Mr. FORGIE: I think this section should be amended to read: "Notwithstanding anything in this part, without the consent of the director no loan shall be made". Should it not be at the discretion of the director, what treatment should be accorded a veteran? I think that would simplify it.

Mr. SPEAKMAN: Are we not, by this very argument, making two classes of veterans—the man who has worked hard and, by his thrift and industry has made a success and now wants to expand, and, because of the "expanding" aspect, by your argument you deny him that expansion. But another man, who may be a marginal case, who may have, with every chance, failed eventually, whether he was given \$100,000 or not. You say, shovel it in there and give him all he wants.

Mr. FORGIE: I think Mr. Speakman forgot the question which was asked.

Mr. SPEAKMAN: I am not relating it to you.

Mr. FORGIE: I asked the director if, when a veteran paid off his loan and was asking for a release on the loan, which had been paid in full, and was made payable in the name of the director, if he could not come back and make application for a loan such as you are suggesting.

Mr. SPEAKMAN: Is that any different to a veteran who, having accepted ownership, accepts the title? He may have to get title to put down as security for the loan, for the additional loan for which funds are not available with the V.L.A. at that time.

Mr. FORGIE: I am being sympathetic to Mr. Speakman's suggestion, but I am saying there is a practical way out of it, without having to amend the act in any way. As far as your suggestion is concerned, it is simply a matter of giving the director sole discretion to determine what treatment should be accorded a veteran in that position.

Mr. CARTER: I think these are two separate things, and we should deal with them one at a time. I think we should finish section 76 and come back to Mr. Speakman's suggestion. I have a few words to say on Mr. Speakman's suggestion.

The CHAIRMAN: On section 76, is there any further discussion?

Mr. MONTGOMERY: There is not any change in that from the old section?

Mr. RUTHERFORD: It has not been amended at all; it is the same as the old section.

Mr. BEECH: I would think a veteran in this position would be given every consideration before you declare him in default. Surely, you will not declare him in default until every angle has been explored?

Mr. THOMAS: Mr. Chairman, the way this section is worded, it appears to me there is no discretion left to the director under this part with regard to a veteran who is in default under part I. That is, if his 1957 or 1958 payment is not complete, then the director, under this act, could not make him a loan under part III. The director is prohibited from dealing with it in that regard.

Mr. BEECH: Mr. Chairman, under what condition is a veteran declared in default? What has been the experience in that regard?

Mr. RUTHERFORD: If he owes any money at all he could not get a loan.

Mr. BEECH: But, previous to that, he is given every opportunity, and every angle would have been explored to help him out?

Mr. RUTHERFORD: Yes, and we have had very few in that position at any time.

Mr. FORGIE: On that, is there any such prohibition under part I?

Mr. RUTHERFORD: Yes, this clause has been in the act, as far as I know, from the very beginning.

Mr. LALONDE: It was in from the very beginning, because it was put in at the same time as a similar clause was put in the Veterans Business and Professional Loans Act, 1946. I could not tell you why it was put in the act in those days, but it has been there ever since.

Mr. THOMAS: If my memory serves me correctly, this clause was in the original act, and cut out veterans from World War I who were in default. I think, if we review it, we will find that about 50 per cent of them were in default. This first war settlement scheme was not too satisfactory. This clause was put in and prohibited those veterans from World War I having a new chance. I did not think it was right then, and I do not think it is right now. I think a veteran, just because he is in default, should not be debarred from having another chance.

Mr. RUTHERFORD: We have, on occasion, gone to the governor in council for authority—I should say, to the minister. We have the authority to go to the minister to get permission to make a loan to a soldier-settler who is in default.

Mr. SPEAKMAN: May I say at this point, I have personally taken part in one of these cases, and I know this has been done.

The CHAIRMAN: Successfully?

Mr. SPEAKMAN: Yes, it has been accomplished.

Mr. STEARNS: It will be more expeditious to have the director do it.

Mr. RUTHERFORD: I said it was in the original act, but it was put in when part III was originally passed.

Mr. LALONDE: There was a similar prohibition affecting only part I, and in 1953-54, when part III came into effect, it was put in as the last clause of the new bill.

Mr. CARTER: Under what provision do you go back to the minister, and where does the minister derive his authority?

Mr. LALONDE: Part I.

Mr. RUTHERFORD: Section 25 of the act.

Mr. CARTER: Part I does not affect part III?

Mr. STROJICH: Except in so far as veterans who are ineligible apply for assistance under part I; and he has to apply under part I before he can get part III.

Mr. THOMAS: I would like to move an amendment there. After the word "veteran" I would move to insert these words, "except with the consent of the director". It would then read like this:

Notwithstanding anything in this Part, no loan shall be made under this Part to a veteran "except with the consent of the director" who is in default under Part I.

Mr. CARTER: Would it not be better to put the words after "Part I"?

Mr. RUTHERFORD: I might say that as all loans are made in the name of the director, this should be either the minister or governor in council, I think.

Mr. LALONDE: Under part I it is with the authority of the governor in council. I suggest that under part III it should be under that authority.

Mr. STROJICH: There are two types of prohibition: one under section 25 for soldier-settlers, where the authority of the minister is obtained to establish a veteran under the act; and there is the prohibition under subsection (6) of section 10, which provides that the director cannot enter into a contract if a veteran is in default on a previous contract under this act.

The type of case that might arise is that of a veteran who has had \$5,000 approved under part I, with an additional \$1,000; and the director cannot approve that additional \$1,000 under part I unless his existing contract is not in default, and the taxes and payments are up to date, the insurance is paid, and so on.

Mr. THOMAS: Could the director or the deputy minister give us an assurance at this point that no veteran is necessarily debarred because of overdue indebtedness?

Mr. LALONDE: We cannot give you that assurance under part III because of the way the act reads now. The act is a straight prohibition.

Mr. THOMAS: Could we then recommend that section 76 of the act be amended in such a way that veterans will not be debarred from part III loans because of past indebtedness? Could we not leave it open like that, and let the law officers work on it?

The CHAIRMAN: That is the only way this committee could take any action at all, because a straight motion would involve a possible increase in expenditure. Are you putting that forward, Mr. Thomas?

Mr. THOMAS: I will put that forward.

Mr. SPEAKMAN: This is partially catered to in the present amendment.

Section 64(2) (f):

The payment of debts that, in the opinion of the director, were reasonably incurred by the veteran for any of the purposes specified in paragraphs (a) to (e).

Mr. MONTGOMERY: That is the purpose specified previously.

Mr. LALONDE: Section 76 as it now reads says:

Notwithstanding anything in this part.

The CHAIRMAN: Mr. Thomas has put forward this motion. Has it a seconder?

Mr. BEECH: May we hear the motion?

Mr. THOMAS: I move that we recommend that section 76 be amended in such a way that a veteran will not be debarred from the benefits under part III because of existing indebtedness to the director.

Mr. CARTER: I do not think Mr. Thomas wants to make it wide open, but he wants to leave it open to veterans who could be rehabilitated or could be assisted out of their trouble by some assistance which now they cannot get because of this section 76. I do not think he wants to make it wide open for everybody.

Mr. THOMAS: No, we want to leave the director and his officials an opportunity to deal with any veteran.

Mr. CARTER: Any veteran who, in the opinion of the director, could be assisted to his advantage.

The CHAIRMAN: What is our wording?

Mr. RUTHERFORD: I think it should be with the consent of the minister because it is the director who actually makes the loan. They are made in his name.

Mr. FORGIE: The administration of the act is under the control of the director. Surely the director should have the discretionary power to decide for himself whether or not the veteran is entitled to help and assistance when he is in arrears.

Mr. RUTHERFORD: If you want that to be the effect, you had better take the section out altogether, if you want to go that far.

Mr. O'LEARY: I suggest that the section be dropped.

Mr. LALONDE: There are cases where the section serves a good purpose, where the veteran is in default. If the director knows that the veteran will never make a success of the farm he does not want to put more money down the drain in that respect. That is when the director does not feel he should get a loan under part III. So this general prohibition gives him grounds on which to rule on that basis. But if the governor in council has discretion, then the director can take care of certain types of cases where he thinks there is a chance for success.

Mr. O'LEARY: Does the director not have that discretionary power himself?

Mr. LALONDE: If the veteran is entitled to a loan by virtue of the act, it is very difficult for the director to say no to him on an arbitrary basis.

Mr. MONTGOMERY: I wonder if this would not meet Mr. Thomas? I suggest that after the word "veteran" in the second line, we should add the words "except with the approval of the governor in council, who is in default".

Mr. O'LEARY: That exists now.

Mr. LALONDE: No, it does not.

Mr. CARTER: Would not those words fit in better after the word "part" in the first line— "notwithstanding anything in this part except with the approval of the governor in council, no one would be ...".

Mr. THOMAS: The governor in council has the right to make regulations. I do not see why section 76 could not be taken out and the necessary regulations included.

Mr. LALONDE: Would you be satisfied to have it on the same basis as section 25 which says "with the approval of the minister", then the two sections would work the same way?

Mr. THOMAS: I still think that is rather drastic unless the director wants it that way.

Mr. RUTHERFORD: I would rather have it that way.

The CHAIRMAN: Agreed. Where do you stand? Is that a motion?

Mr. THOMAS: Section 25 is not shown here.

Mr. LALONDE: No, it deals with part I so it is not related to your suggestion.

Mr. THOMAS: I think my motion that the act be amended meant that the veteran will not necessarily be debarred from the benefits under part III because of past indebtedness. That could be reworded in some way so as to safeguard everybody. I think it incorporates the idea that we do not want them automatically barred because of past indebtedness.

Mr. RUTHERFORD: If you are under the impression that it is past indebtedness, this is not so. It is present indebtedness which debars them.

Mr. THOMAS: I mean overdue indebtedness.

The CHAIRMAN: May we put this in our report in the form of a recommendation subject to the approval of the governor in council?

Mr. THOMAS: That was my idea.

Mr. LALONDE: Just recommend it and we will take care of it, if it is approved by the cabinet.

Mr. BEECH: I would feel happier if I were assured that the veteran would not be declared to be in default until every avenue had been explored to keep him in good standing.

Mr. RUTHERFORD: You can be assured of that.

Mr. BEECH: That would cover it, because you cannot expect people to get a loan if there is no hope of its being repaid.

Mr. LALONDE: Would this suggestion of Mr. Thomas' apply to indebtedness in respect to the Veteran's Business and Professional Loans Act as well, or only when he is established under the V.L.A.?

Mr. THOMAS: Perhaps it could apply to any overdue indebtedness to the crown.

Mr. LALONDE: Then we run into the same problem we ran into before, of the business and professional loans being available on an alternative basis to those not taking V.L.A. I was not sure whether you were concerned with those who were under the V.L.A. and who may have some indebtedness, rather than with those who took another benefit and now wanted to come under the V.L.A.

Those veterans who decided to take a business or professional loan and did not repay it, may want to come under the V.L.A. now. But this section says that if you want to get established under the V.L.A. you must repay your business and professional loan. This, I took it, was not the type of case you had in mind.

Mr. THOMAS: That is right.

Mr. LALONDE: Then your suggestion applies to any veteran who is in default on any contract entered into under part I of the V.L.A.?

Mr. THOMAS: That is right.

Mr. LALONDE: Would you incorporate that in your recommendation so it will be clear when we go before cabinet?

The CHAIRMAN: Here is what we have at the present time. We are getting some professional advice, and here is a suggested recommendation: notwithstanding anything in this part, no loan shall be made under this part except with the approval of the minister to a veteran who is in default under a part I contract, and so on.

Mr. P. M. OLLIVIER (*Law clerk, House of Commons*): That creates an exception where the minister can rule at one time or another that the veteran is entitled although in default.

Mr. LALONDE: Except that in the way it is drafted, it includes indebtedness under the Veterans Business and Professional Loans Act.

Mr. OLLIVIER: You have a discretion to eliminate that. Since he has a discretion to grant it, then he has a discretion to refuse it.

Mr. MONTGOMERY: It is only given with the consent of the minister.

Mr. LALONDE: I suggest we can take care of that by noting that it was the intention that the recommendation should apply only to part I contracts. Then when we submit it again to the Department of Justice for redrafting, they can make a sub-section for veterans business and professional loans.

The CHAIRMAN: Does that fulfil your purpose?

Mr. THOMAS: Yes.

The CHAIRMAN: Does Mr. Forgie second this?

Mr. FORGIE: Yes.

The CHAIRMAN: Are we agreed?

Mr. FORGIE: Yes.

The CHAIRMAN: Mr. Ollivier, the law clerk, is with us and he is prepared to give us a ruling on our problem under section 63. If you wish to hear him now, it would expedite matters.

Mr. OLLIVIER: The point is that these two amendments, since they involve the expenditure of money, cannot be made in the committee. All you can do is to recommend that these amendments, or similar amendments, be made to the bill.

After that is done, once the report has been adopted in the house then the minister has to put a resolution on the order paper and to that resolution he has to obtain the recommendation of the crown again. When the resolution is before the house the resolution will be passed by the house and the minister will move that it be referred to the committee of the whole on that bill. So when your bill is considered in committee of the whole, these amendments of which Mr. Lalonde speaks can be incorporated in the house at that time in committee of the whole. So even if we have not a recommendation that covers the point exactly the minister will still feel free to have the amendments prepared and put in proper form. I think the resolution should recite the amendments and should read as follows: that it is expedient to amend the bill now before the house in the following manner and then include these further amendments. When that is passed it goes back to the committee of the whole.

Mr. SPEAKMAN: So far as any amendment which I have proposed, I am content to have a full and considered opinion on it at that time.

The CHAIRMAN: We will let this opinion by Mr. Ollivier stand until Monday. Perhaps we could carry the title.

Title agreed to.

The CHAIRMAN: We will leave it at that so we can hear from the real estate people on Monday at 3.30 p.m.

APPENDIX "A"

A further Submission by the National Council of Veteran Associations in Canada regarding "Imperial Pensioners' Widows"

At its two most recent conventions (1955 and 1957) The War Amputations of Canada approved unanimously a resolution on the above subject which, in due course, was included in the Association submission to the Standing Committee on Veterans Affairs of March 9th, 1959. Subsequently the National Council of Veteran Associations in Canada also approved the resolution, and made it the basis for a recommendation to the Standing Committee on May 11th, 1959. The following is a further clarification of the reasons which prompted the original resolution. In substance, the resolution asks that widows of Imperial veterans who have a 50% or over war disability, and who have lived in Canada for twenty years or more, be granted a pension by the Canadian Government similar to that granted to widows of high-disability Canadian veterans under parallel circumstances. The request applies, therefore, to widows of Imperial veterans of World War I to whom Canada has long been their adopted country. The average Canadian residence in the case of our own ex-Imperial members is actually thirty-three years. This figure is taken from a survey conducted in support of the resolution, details of which are appended hereto.

Basis of Need

It is doubtful if any Canadian veteran association keeps in closer touch with the widows of its members than The War Amputations of Canada. The resolution results from a first-hand and increasingly compelling knowledge of the severe financial handicap faced by most widows of highly disabled 1st War Imperial veterans.

The disabled Imperial veteran's widow, whatever his assessment, gets no pension unless her husband's death is directly attributed to his war disability. Likelihood that the veteran in question can save enough money to make any marked contribution to his widow's future is remote. Canadian veteran legislation recognizes that even the better compensated high-disability Canadian cannot provide any but a minor degree of independence for his widow. Yet his disability compensation has for years been from three to four times as great as that of the ex-Imperial—depending on the rank of the latter.

Basis for Consideration

It is the belief of our Association that this request on behalf of the widows of 1st War high-disability Imperials should be considered from an entirely new and independent standpoint for the following reasons:

1. The matter concerned is the welfare of a female Canadian citizen who is widowed and in financial need in her declining years. She fought in no army—is unlikely to have ever worn a uniform. Most probably she did not even know her husband until after his war service.

2. As the appended survey shows, she was born in Canada in some cases—in the great majority she was married in Canada. Even if born overseas, she has certainly earned all the privileges of citizenship, since she was married, on average, twenty-seven years ago.

3. She has endured the same difficulties and made greater financial sacrifices than her sister who married a war-disabled Canadian. She has made just as much contribution to the national welfare. In most cases she has borne children to grow up into Canadian citizens.

4. The marriage contract which set the course of her existence had no connection with war service or military ties or loyalties. In marrying and raising a family she performed one of the highest national duties. That she should marry a high-disability veteran, even though he fought in a different army, was a service to Canada. That she should suffer hardship because he could not possibly have served the common cause in the Canadian Forces seems hardly to be in keeping with Canadian ideas of fairness and justice.

5. The suggestion that an Imperial matter may rightly be judged solely from the standpoint of economic need and equity does not involve a new principle in Canadian veteran legislation. It is already recognized in the inclusion of Imperials under the provisions of the War Veterans' Allowance Act.

In submitting the foregoing, The War Amputations of Canada is confident that it will be given the most earnest and sympathetic consideration by the Standing Committee on Veterans Affairs.

Toronto, Ontario, May 22nd, 1959.

Appended—Findings of Survey

Findings of Survey made among Ex-Imperial Members of The War Amputations of Canada—August 1957

World War I

Living ex-Imperial 1st War Members on Imperial rates . .	28
Average residence in Canada	33 years
Married—wives living	26
Widowers	2
Married in Canada	19
Married in British Isles	7
Wives born in Canada	7
Wives born in British Isles	19
Average length of married life	25 years

World War II

Ex-Imperial 2nd War Members on Imperial rates	19
All are married	
Average residence in Canada	8 years

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 16

Bill C-50, An Act to amend the Veterans' Land Act
Including Fifth and Sixth Reports to the House

MONDAY, JUNE 1, 1959

TUESDAY, JUNE 2, 1959

WEDNESDAY, JUNE 24, 1959

WITNESSES:

Messrs. Lucien Lalonde, Deputy Minister, Department of Veterans Affairs; T. J. Rutherford, Director, Soldiers Settlement and Veterans' Land Act; H. R. Holmes, Superintendent of Securities Division; G. O'Brien, District Superintendent, Alberta District; D. H. Koyl, President, Canadian Association of Real Estate Boards; and K. Binks, Counsel.

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.,

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (<i>Kings</i>)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

REPORTS TO THE HOUSE

The Standing Committee on Veterans Affairs has the honour to present the following as its

FIFTH REPORT

Pursuant to its Order of Reference of Wednesday, May 20, 1959, your Committee has considered Bill C-50, An Act to amend the Veterans Land Act, and has agreed to report it without amendment.

During the course of its deliberations your Committee approved the submission of the following recommendations to the House.

1. As the effect of the application of Part III of the Act appears to discriminate between veterans who have taken title and those who have not, consideration should be given to the introduction of an amendment which would allow a veteran, who has taken title to land, livestock and equipment, to obtain additional assistance under this legislation provided that he enters into a new contract with the Director.

While your Committee recognizes that such a change would possibly involve the introduction of a new principle into veterans' legislation, it is felt that the Government should examine carefully the desirability of such an amendment.

2. Your Committee recommends that the maximum level of loans set forth in Clause 20 of Bill C-50 be constantly reviewed in order to ensure the efficient operation of the Veterans Land Act and especially to maintain, on a comparable basis, the veterans' position in relation to agricultural and other groups receiving federal benefits in the form of assistance loans.

3. Your Committee recommends that, in order to remove an area of discrimination, Bill C-50 should be amended by including a Clause to effect the repeal of Section 36 of the Veterans Land Act, and to assure that the powers necessary to protect the veterans' interests remain in Section 41 of the Act.

4. Your Committee recommends that Section 76 of the Act appearing in Clause 20 of Bill C-50 be amended by inserting immediately following the word "Part" appearing in line 2 of the Section the words "except with the approval of the Minister".

A copy of the Minutes of Proceedings and Evidence is appended.

Respectfully submitted,

WALTER DINSDALE,
Chairman.

The Standing Committee on Veterans Affairs has the honour to present the following as its

SIXTH REPORT

1. Under its Orders of Reference received from the House of Commons, your Committee has completed its work for the current session. The Committee has thoroughly reviewed the estimates of the Department of Veterans Affairs and has considered three items of legislation. These have all been reported to the House.

2. During the Committee's deliberations, requests were received from several veterans' groups interested in presenting briefs. The Committee heard these representations under the first item of the estimates.

3. The comprehensive review of veterans' legislation has again confirmed that Canada has, generally speaking, an adequate Veterans' Charter. The state of veterans' affairs is good. It is not perfect of course, for there always remains the necessity to adjust to ever-continuing changes in the social and personal problems of the veterans. It was to this end that amendments have been made to three major acts of the Veterans' Charter during the current session.

4. Veterans' programs today are designed to help veterans to become self-sufficient and productive members of the community. The emphasis, following World War II, was on assisting the veteran to pick up the threads of civilian life. The comprehensive rehabilitation programs have been eminently successful in this regard, and will continue to be successful as amendments are made to meet the changing needs.

5. A word should be said about the responsible attitude manifested by the spokesmen for our veterans' groups. Canada's veterans do have a highly developed sense of fair play. This standard of behaviour is to be expected from the group in our population who served so sacrificially in days of war. It is to be expected too that they would serve with equal devotion in times of peace. Membership in the House of Commons is typical of this kind of service for many of the members have distinguished service records.

6. After all, the performance of duties of citizenship cannot be painless or entirely free from sacrifices, either in peace or in war. These obligations of citizenship must be assumed to an ever-increasing extent if our free way of life is to survive and prosper in the face of totalitarian encroachments today.

REVIEW OF LEGISLATION

Pensions

7. Many of the recommendations placed before the Committee related to the Pension Act. This is to be expected. Compensation for disabilities incurred in the service of one's country is the core of any veterans' program. During the course of the deliberations the Minister intimated that the Pension Act would not be up for amendment at the current session of Parliament. In line with the declared policy of the government to review veterans' legislation periodically and progressively, this year the Veterans' Land Act underwent major amendments. Next year it is expected the Pension Act will come under similar review.

8. Several veterans' organizations, including The Sir Arthur Pearson War Blinded, the Canadian Corps, The War Amputations, The Canadian Legion, and The War Veterans Association, recommended across the board increases in the pension rate. This is a matter, of course, which will have to be considered in the light of any changes that have occurred since the rates were last amended. A similar recommendation for general increases in the War Veterans Allowances rate will be subject to the same qualification.

9. Other than these recommendations with respect to the Pension Act and the War Veterans Allowance Act, most of the points brought forward in the representations have been placed before the Minister and the government previously. For example, The Canadian Legion repeated in substance the brief presented to the cabinet last fall at the time of the annual Remembrance Day presentation to government.

Treatment Services

10. The subject of hospitalization was dealt with in at least two briefs. The Sir Arthur Pearson War Blinded raised the issue of free hospitalization for all medical conditions. There was also some suggestion that admission procedures to veterans' hospitals might be improved.

11. In order to satisfy themselves on these points, members of the Committee visited Sunnybrook Hospital in Toronto. The members came away convinced that Sunnybrook was providing a comprehensive and adequate treatment service. A shortage of active treatment beds was in evidence, a problem created largely by the growing number of older veterans requiring domiciliary care rather than active hospital treatment. This, in turn, is related to the general problem arising from an ever-lengthening life span and an increasing proportion of older people in our population, and will only be resolved as more special residential accommodation for these senior citizens becomes available.

12. The Canadian Corps raised the special question of free treatment and hospitalization for members of the peacetime forces. As these servicemen do not come under the jurisdiction of the Department of Veterans Affairs, this matter is one that should be taken up with the Department of National Defence.

Hong Kong Veterans

13. The Hong Kong Veterans appeared before the Committee renewing their appeal for special compensation for slave labour, and for expenses incurred in making similar representations in the past. This problem is well known to the government. Only last November, as a result of continuing representations, the War Claims Regulations were amended, providing for an increase of 50 per cent in maltreatment awards.

14. The Committee investigated this further appeal with extreme care. Mr. Paul Theriault, Secretary of the War Claims Commission, appeared before the Committee and was questioned. Information as to the present state of the War Claims Fund was obtained from the Minister of Finance.

15. It was revealed that the maltreatment awards on a per diem basis under the War Claims Regulations include compensation for forced labour or any pecuniary loss suffered as a result of maltreatment during the period of internment. It was further revealed that this group includes some 4,000 prisoners of war in the European war theatre as well as the 1,300 prisoners of the Japanese.

16. The War Claims Fund derived from ex-enemy assets amounted to \$10 million. Of this total, some \$5.2 million came from Japanese sources. Out of the \$5.2 million the Hong Kong prisoners and their dependants received \$3,021,414 in maltreatment allowance. Canadians taken prisoner while serving with British forces received \$188,940, and civilians, \$494,788. A balance of \$1.5 million of the Japanese awards has been paid to civilians for death, personal injury and property loss claims in the Far East.

17. A sum of \$6 million remains in the fund. The fund is being rapidly depleted at the present time due to the large payments in respect of the supplementary maltreatment awards approved by the government last fall, and in earnest endeavour to settle claims as quickly as possible. Outstanding claims against it are far in excess of the remaining balance, and as a result of the recent publicity new claims are coming in daily. Because of these facts, the Secretary of State last November had stated that no further payments could be made to the Hong Kong group.

18. The Committee appreciates the difficulties of assuring an equitable distribution of the fund. At the same time it is aware of the special problems of veterans who were prisoners of war. It suggests that, in view of the obvious impossibility of settling all claims, the problem might be partially resolved by using a portion of the remaining balance to set up a Prisoner of War Benevolent Fund to meet the human needs of prisoners of war and their dependants. This special fund could be administered after the fashion of similar benevolent funds already operating on behalf of veterans and their dependants.

Corps of Canadian Fire Fighters

19. Representatives of the Corps of Canadian (Overseas) Fire Fighters appeared before a Committee for the first time since 1948. Its submission was similar to the one made on the former occasion.

20. The main request of the Fire Fighters is to be given the full status of veterans. This request had been turned down in the past on the grounds that the corps was formed under the War Measures Act as a civilian corps and administered by the Minister of National War Services rather than the Department and Minister of National Defence. Earlier Veterans Affairs Committees recommended an extension of veterans' benefits to the Fire Fighters (complete coverage in 1946 and partial in 1948). These recommendations were not accepted entirely by the government because of the non-military status of the corps.

21. The corps rendered outstanding fire fighting and civil defence service in the United Kingdom from 1942 until late in 1944. Because of the nature of their service, many benefits have been granted members of the corps under Fire Fighters War Services Benefits Act, the Civilian War Pensions and Allowance Act, etc. The Committee suggests that, as these measures are reviewed and amended from time to time, consideration might be given to providing wider coverage to members of the corps as circumstances warrant. This applies particularly to the War Veterans Allowance as the corps members reach age-eligibility.

22. The corps raised the question of their members eligibility for the Canadian Volunteer Service Medal and Clasp. Hitherto, this medal has been awarded only to Naval, Army, and Air Force personnel under Army Order 128-2, January 2, 1947. The Committee realizes that a matter of this kind is beyond the jurisdiction of the Department of Veterans Affairs and recommends that it be referred to the Department of National Defence for further consideration.

23. During recent days there has been some public discussion of proposed amendments to the Civil Service Act. These discussions have included references to the operation of the Veterans' Preference.

24. To clear up any uncertainty on this point the Committee heartily endorses the principle of the Veterans' Preference in the Civil Service Act and recommends that, in any contemplated amendments to the Act, this principle remain unchanged.

CONCLUSION

25. Throughout all the deliberations your Committee has been given generous assistance by many officials of several government departments. This applies especially to officials of the Department of Veterans Affairs. To them your Committee conveys its grateful thanks. It also tenders its sincere thanks to the Clerks of the Committees Branch who have rendered invaluable service in guiding its deliberations.

26. Copies of the Minutes of Proceedings and Evidence of the Committee have been tabled with the Second, Third and Fourth Reports on April 30, 1959, and the Fifth Report on June 2, 1959.

Respectfully submitted,

WALTER DINSDALE,
Chairman.

MINUTES OF PROCEEDINGS

MONDAY, June 1, 1959.

The Standing Committee on Veterans Affairs met at 3.30 p.m. this day. The Chairman, Mr. Dinsdale, presided.

Members present: Messrs. Badanai, Batten, Broome, Carter, Dinsdale, Forgie, Fortin, Herridge, Jung, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, Matthews, O'Leary, Robinson, Stewart, Thomas, Webster, and Winkler.

In attendance: Mr. Lucien Lalonde, Deputy Minister, Department of Veterans Affairs; Brigadier T. J. Rutherford, Director, Soldiers' Settlement and Veterans' Land Act; Mr. A. D. McCracken, Senior Administrative Officer; Mr. H. C. Griffith, Superintendent of Construction; Mr. H. R. Holmes, Superintendent of Securities Division; Mr. W. Strojich, Superintendent, Property Division; and Mr. G. O'Brien, District Superintendent, Alberta District.

From the Canadian Association of Real Estate Boards: Messrs. Donald H. Koyl, President; H. W. Follows, National Secretary; Clayton Fitzsimmons, Chairman, Ottawa Liaison Committee; and Kenneth Binks, Counsel.

Agreed,—That the proposal made by Mr. Speakman at the Committee's last meeting be dealt with after the Committee has heard representations from the Canadian Association of Real Estate Boards.

Mr. Koyl introduced his colleagues and, from a prepared text, outlined the Association's views on Bill C-50 and in particular section 36 of the Veterans' Land Act.

During the course of his presentation, copies of the following documents were tabled and distributed to members of the Committee:

1. Roster of Active Members of the Canadian Association of Real Estate Boards;
2. Syllabus of Course in Real Estate sponsored by the Canadian Institute of Realtors;
3. Code of Ethics of the Canadian Association of Real Estate Boards.

Messrs. Rutherford, O'Brien and Holmes were questioned concerning points raised by the Association. Following the further questioning of Messrs. Koyl and Binks, the Committee thanked them for their presentation and went into *in camera* deliberations.

Agreed,—That Mr. Speakmen's proposal concerning areas of discrimination between veterans who have taken title to land and those who have not be included among the recommendations made by the Committee to the House. It was also decided to recommend that action be taken to ensure that the maximum level of loans as set forth in Part III of the Act be constantly reviewed and maintained at levels comparable to those available to other groups receiving assistance loans.

It was further decided that the Committee recommend the repeal of Section 36 of the Veterans' Land Act and ensure that the veterans' interests will still receive the necessary protection.

At 5.05 p.m. the Committee adjourned to the call of the Chair.

J. E. O'Connor,
Clerk of the Committee.

TUESDAY, June 2, 1959.

The Standing Committee on Veterans Affairs met *in camera* at 2 p.m. this day. The Chairman, Mr. Dinsdale, presided.

Members present: Messrs. Badanai, Beech, Broome, Dinsdale, Herridge, Kennedy, Lennard, Matthews, Stearns, and Webster.

The Committee considered a "Draft Report" to the House and, following discussion, instructed the Chairman to present it to the House as the Committee's Fifth Report.

At 2.15 p.m. the Committee adjourned to the call of the Chair.

J. E. O'Connor,
Clerk of the Committee.

WEDNESDAY, June 24, 1959.

The Standing Committee on Veterans Affairs met *in camera* at 2.00 o'clock p.m. this day, the Chairman, Mr. Walter Dinsdale, presiding.

Members present: Messrs. Badanai, Beech, Carter, Dinsdale, Fane, Forgie, Herridge, Jung, Kennedy, Lennard, McIntosh, Montgomery, Rogers, Speakman, Stearns, Webster and Weichel.

The Chairman presented to the Committee the draft of a report to the House concerning matters which had been considered by the Committee under the estimates of the Department of Veterans Affairs and which had arisen from representations made to the Committee by various veterans' organizations; the said draft report had been considered by the Subcommittee on Agenda and Procedure which had recommended it for the approval of the Committee.

The Committee considered the draft report in detail and made certain amendments thereto.

On motion of Mr. Herridge, seconded by Mr. Lennard,

Ordered (unanimously),—That the said report, as amended, be presented to the House.

At 2.35 o'clock p.m. the Committee adjourned to the call of the Chair.

Eric H. Jones,
Acting Clerk of the Committee.

EVIDENCE

MONDAY, June 1, 1959
3.30 p.m.

The CHAIRMAN: Gentlemen, we now have a quorum and we can proceed. Before we do so, I think there are one or two items standing over from our last meeting.

Mr. CARTER: I would like to ask for the correction of a typographical error in the minutes of the last meeting. In a statement of mine appearing on page 450, line 34, the figure 6,000 should be 60,000. That is the first one on the line.

The CHAIRMAN: The suggestion put forward by Mr. Speakman, I think, may be dealt with at the end of the meeting today when we consider our report on the Veterans Land Act and when we move into camera. Does anyone have any comments to make on that suggestion? I presume it meets with your approval. Is there any other business before we hear from the representatives of the Canadian Association of Real Estate Boards? Are we ready to consider their brief?

There are copies of it in your hands. Mr. Koyl, the president, is with us, and we welcome him to the committee. We shall be happy to listen to his brief and then perhaps after he has read it he would be willing to answer questions from members of the committee.

Now, Mr. Koyl.

Mr. D. H. KOYL, (*President, Canadian Association of Real Estate Boards*): I would be delighted, Mr. Chairman.

The CHAIRMAN: Are there any members of your organization with you today whom you would like to introduce to the committee?

Mr. KOYL: Yes, Mr. Chairman. I am accompanied by the national secretary of our organization, Mr. H. W. Follows who is sitting at the far end of the room, and the chairman of our Ottawa liaison committee, Mr. Clayton Fitzsimmons, and finally, the counsel of the organization, Mr. Kenneth Binks of Ottawa.

We first appeared before you back in the 'forties when we were an organization of only 600. Today we number over 10,000 members from coast to coast, and we represent 68 local real estate boards as well as eight provincial associations.

Turning to the brief, its purpose is to discuss section 36 of the Veterans Land Act, R.S.C. 1953-54, chapter 280.

This standing committee has presently before it for consideration, bill C-50, being an act to amend The Veterans' Land Act, but there have been no proposals to amend section 36 of The Veterans' Land Act. Section 36 recites as follows:— "(1) No person, firm or corporation is entitled to charge or to collect as against or from any other person, firm or corporation any fee or commission or advance of price for services rendered in the sale of any land made to the Director, whether for the finding or introducing of a buyer or otherwise. (2) No person, firm or corporation shall pay to any other person, firm or corporation any such fee or commission or advance of price for any such services."

It is the submission of the Canadian Association of Real Estate Boards (CAREB) that this section should be repealed for the following reasons:—

We put the initials CAREB in as representing the Canadian Association of Real Estate Boards, and it is referred to as CAREB from here on.

1. It discriminates against real estate agents. There are no other provisions in The Veterans' Land Act which discriminate against any other trade or profession, except this section which discriminates against real estate agents.

As far as we know it is not in any other known act in Canada that such discrimination exists.

It should be observed that counsel to CAREB has been unable to find any similar legislation in any other country in the world, and more particularly those countries such as the United Kingdom, either federal legislatures or any one of the state legislatures of the United States of America, Australia and New Zealand, which would have land re-settlement problems after each of the world wars.

2. The section is unfavourable to real estate agents. It stigmatizes them as a business association which might take advantage of veterans. Many real estate agents are, of course, veterans, and by keeping the section in the act, there is a suggestion that the parliament of Canada does not have confidence in the ability of CAREB or the various provincial bodies to conduct its affairs on a sufficiently ethical and proper basis to protect veterans.

Digressing for a moment, my immediate past president, myself, and the next two presidents of this organization of ours are all veterans.

3. It is unfavourable to veterans because it denies them a much wider market which they would ordinarily have from which to buy land. According to a recent survey, over 90 per cent of all properties for sale were listed with real estate brokers, and this section prevents the veteran using this large pool. The section creates suspicion in the minds of veterans who might otherwise wish to seek the assistance of real estate agents who have knowledge of special situations which might greatly benefit the veteran.

They are unable to come to us for advice.

4. It is unnecessary as a protection to veterans, because real estate commission is invariably paid by the seller, not the buyer, and the section only operates when a veteran is buying land, and any suggestion to the contrary is ridiculous, as only market value can be obtained as the maximum price for any piece of property.

5. The reason stated for having the section in the first place was to protect veterans from the operations of unscrupulous brokers. This may or may not have been necessary in the 1920's, however, it is submitted that in the 1960's, which we are about to enter, the remedies to the public that exist are so numerous, such a Section is out of date, and certainly throughout the late 1940's and 1950's, the education of those in the real estate business has raised the level to a stage approaching professional status.

Here again on the word "remedies" which I have used in that paragraph, I would suggest there are four remedies: first of course there is the law of the land and the civil courts which will protect against fraud; secondly, there are the provincial licensing acts which exist across the country; thirdly, the local real estate board; and fourthly, the code of ethics which has been adopted

right across the country by all our members, and of which you have a copy in front of you.

6. The members of CAREB have only one objective, the ethical practice of real estate, and in their approach to this objective through education, the offices that they represent have become analysts of their local market, they have gained a knowledge of homes, the industry and the needs and growth of their community. In the past few years, the real estate broker of Canada has become a counsellor giving sound advice and, today, a profession exists for the public's protection in real estate matters. To accomplish this objective, CAREB has, at the national level, established a degree course through the university of Toronto. The first students to complete this three-year course were graduated in 1958, and while two hundred qualified professionals may seem small at present, the size of the student body is growing very rapidly, and the conduct of the course is being turned over to provincial educational institutions as facilities are developed within each province. For example, the university of Alberta put the course on a lecture basis this past winter for 131 students, who have now completed the first year. In British Columbia, the real estate brokers saw fit to endow a chair in real estate, which enabled the university of British Columbia to retain a professor in real estate subjects, and it is now possible to graduate from the university of British Columbia as a bachelor of commerce with a major in real estate. This means that Ontario, Alberta and British Columbia have carried this national effort through to the provincial level. In addition, these three provinces and other provinces have made provisions for more minor education for primary licensing examinations. At the local level, education is carried on in practically all real estate boards in order to up the standards of the person in the business.

We are affiliated with the Appraisal Institute of Canada, and we hold local seminars across the country. For instance, here in Ottawa the Ottawa Real Estate Board goes much further than the Ontario licencing act requires. They require a salesman to take an eight weeks course of study before he can even apply for his licence.

7. It has been suggested that from an administrative point of view, criticism might develop when agents' suggested transactions are not approved. This association is willing to agree that all decisions of the director in regard to purchases should be final and not subject to recourse beyond the director.

I might say there, that in that case we are used to this situation. After all, we apply to mortgage companies for mortgage funds and day after day we get some applications accepted while some are rejected. So we are accustomed to accepting such a situation.

8. Across the country, all levels of government are making use of the superior equipment being offered by the realtor for the acquisition of land, for the appraisal of land and for land assembly schemes. Here, in Ottawa, the National Capital Commission makes use of these facilities in the acquisition of millions of dollars' worth of land. Other departments of the government have no clause such as that contained in this act under section 36.

9. One of the effects of this section in denying the services of real estate agents has been that, in spite of the outstanding assembly job done within the administration the veteran, in a great many cases, has had to accept land within a veterans' settlement instead of being completely assimilated throughout the civilian life of the community.

10. It should be borne in mind that across this country, through the efforts of the real estate agents themselves, there now exist six provinces with licensing laws and, within a year, this will probably increase to eight provinces. All these licensing acts require bonding for the protection of the public.

I emphasize to you that all these licensing acts in existence today are the result of our action in our provincial groups within this organization.

11. It is submitted that the real estate broker or agent is invariably a small businessman, as even the trust companies who operate across the country operate a real estate department on a local basis. These trust companies are invariably members of the local real estate board.

12. All realtors are governed by a strict code of ethics which states in part that "Under all is the land, and upon its wise utilization and widely allocated ownership depends the survival and growth of free institutions and of our civilization. The realtor is the instrument through which the land resource of this country reaches its widest distribution. He is the creator of homes, a builder of cities, a developer of industry and productive farms."

Such functions impose obligations beyond those of ordinary commerce, they impose grave social responsibilities and patriotic duties. We submit that the realtor today is maintaining and improving the standards of his calling, and the realtor today jealously guards his responsibility for the integrity and honour of his industry that provides one of the three basics of life, shelter.

Our recommendations are that:

As an alternative to section 36, we respectfully submit that there are three methods of curing the problem contained in section 36. (a) It would be idealistic to expect the government to consider including this organization in the Act. (b) However, there is one cure under the present act, by the addition of a few words at the end of paragraph (1), and at the end of paragraph (2). The additional words suggested would be, "unless that person, firm or corporation be a licensed real estate broker or agent in the province in which the property is located". And, in the affidavit required of the vendor, after the word "corporation" in the first line, the addition of the words, "except a licensed real estate broker or agent in the province where the property is located".

You will note there that we are not asking for the members of the real estate board to be the only ones included. We are including all licensed brokers.

You may say that the above tends to give a blessing to the real estate broker and the director should not feel that such an obligation exists and, therefore, we submit that the best method of curing the problem to the satisfaction of all concerned would be to delete the present Section 36 entirely from the act. As a matter of fact, under section 41 of the act, the governor-in-council is empowered to make regulations in respect of the manner in which applications for purchase and sale may be made—that is a power given under section 41 (1) (b). An even wider power is given in section 41 (1) (j) of the act, where the governor-in-council may make regulations prescribing "with respect to any other matter concerning which the minister deems regulations necessary for the execution of the purposes of this act".

Since the director already has power by way of regulation to completely control this matter, we respectfully submit that section 36 of the act should be taken out, as it is superfluous.

Mr. Chairman, I shall be delighted to answer any questions which the members may put to me.

The CHAIRMAN: Thank you, Mr. Koyl.

Mr. BROOME: I would like to have more detailed comment on item three, which seems to me to be the key to the whole subject. It states that over 90 per cent of all properties for sale were listed with real estate brokers. This means that if section 36 prevents dealing with real estate brokers, then the director is very limited as to the property he can go after with which to form settlement areas or to take care of individual requirements; and it seems to me it leads to a massing of large blocks of land. Therefore, coming back to another section here, the grouping of veteran settlements, I know that normally veterans will find a good place here or there or some other place and spread throughout the community or area. But it would appear from number three that that is pretty well impossible today. So I would like Mr. Koyl to give us a bit more comment on number three, because it seems to me that it acts unfavourably to the interests of the veteran, if what he says is true.

Mr. KOYL: Mr. Chairman, we do not anticipate that the real estate brokers across the country will ever make a living out of the Veterans Land Act today. However, there perhaps will be some business. We are more anxious to get the stigma out of the act than to make a living out of it.

As to this suggestion of the 90 per cent of properties for sale being listed with real estate brokers, I must in all honesty say that it relates to the six provinces where statistics can be gathered, since the provinces which have licensing acts at the present time are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Nova Scotia.

Private listing is something we have been concerned with over the years for the fact that by looking into them we can invariably ascertain that a property thus listed was too high for the market, or in some cases it had even been turned down by a real estate broker for listing, because he felt it was so far beyond the market. This 90 per cent of properties which are listed with real estate brokers is in actual fact within the areas in which we operate.

Is there any other part of that I could answer for you?

Mr. BROOME: Well, as a corollary, if they do not work through real estate brokers, it seems to me that the director has to go out and find property not listed for sale. And if it is not listed for sale, I would suspect the selling price would be rather high. It is only where there is intention to sell that you can reach a fair market value.

Mr. KOYL: That would be right. When an approach is made to a person asking him to sell, invariably the price is considerably more.

Mr. BROOME: One other question in respect to the assembly of land, let us say, for Central Mortgage and Housing Corporation or National Defence. Are there any restrictions in any department, or do they deal through brokers?

Mr. KOYL: They deal in which ever way they think they will acquire the property at the lowest price for the department concerned.

Mr. BROOME: That is the key to it. Get the property at the lowest price.

Mr. LENNARD: May I ask Brigadier Rutherford through you, Mr. Chairman, if it is the policy of this department to go out and dig up individual properties?

Brigadier T. J. RUTHERFORD (*Director, Soldier Settlement and Veterans Land Act, Department of Veterans Affairs*): No, but we do accept a type of listing from people who have property for sale. When a veteran is looking for a property he may ask the local credit advisor if he knows of any property, or we might give the veteran assistance in finding a property.

Mr. LENNARD: Well then your policy must have changed over the last fifteen years, because it was not your policy at that time to do it.

Mr. RUTHERFORD: We do not advertise for listings; but anybody who wants to sell property can tell us about it and we in turn may tell the veteran who may go to see it.

Mr. LENNARD: You do not advise them?

Mr. RUTHERFORD: No, we do not want to interfere to that extent.

Mr. BROOME: If a veteran finds a small holding that he would like, and if it is for sale and listed with a real estate broker, what would happen then?

Mr. RUTHERFORD: Our veteran would go to the vendor. He knows that the real estate broker cannot collect a fee from him if he sells to the director. The veteran will go to him and he may take along his credit advisor to evaluate the property and see whether or not it is suitable. Since he is able to bargain for cash, and since the vendor knows he does not have to pay a commission, the veteran is usually able to get it for considerably less than the asking price.

Mr. BROOME: I have bought some property on occasion myself and my experience has been that the chap who sold me the property, the agent, was acting in my interests as well as in the interests of the seller, the whole idea being to get us together on what would be a fair price. I have never considered him as working entirely for the seller. I have found him to be working just as much in my interests as those of the seller because he was anxious to make the sale, and the only way he could do that was to get it agreeable to both parties.

Mr. RUTHERFORD: Our credit advisor plays very much the same part in many cases. He is an accredited appraiser, and he has passed part II of the appraisal course. He will appraise the property and get a cash offer. Having appraised the property—probably it is a casual appraisal until the parties are closer to coming to terms—he tries to get them together and if he thinks it is worth the money, he may advise the veteran he should pay a little more than he intended. Generally speaking, when you have cash in your hand, you can get property cheaper than when speaking in terms of a mortgage.

Mr. BROOME: I would like to hear Mr. Koyl.

Mr. KOYL: If this property happened to be listed in a formal contract with a real estate broker, the veteran would have to pass it up. Otherwise there would be a suit. This listing of contracts in all these licensing laws is for a year or less, so it could in effect hold up a veteran on a particular piece of property for a year or he has to pass it up.

Mr. LENNARD: What difference would it make if our Veterans Land Act officials appraise a property and say it is worth so much in their opinion? Why should not the organization be able to purchase a certain piece of property, even if listed? I know that at the moment the act is against it; but if the veteran does not have to pay any more for that property than the officials deem is adequate,—and the seller pays the commission, I understand,—where does the veteran lose? The final say as to the value of the property is with the officials of the Veterans Land Act.

The CHAIRMAN: Are there any comments?

Mr. KOYL: I have no argument with that at all. Our organization would be very glad to have the Veterans Land Act be the final authority. We are not asking for a change to that at all.

Mr. BROOME: What does the director think about this recommendation where it says the director already has the power either to use or not use any facilities which may be available to him and that in effect, if he does not want to use real estate brokers, he cannot use them within the powers given in the section.

Mr. STEWART: But he could?

Mr. BROOME: Yes; or not, as he thought best.

Mr. RUTHERFORD: I have a great deal of sympathy for the real estate board and the proposition which they put forward today. They mentioned that a large number are veterans, and we have even more sympathy on this account. As to the question whether or not we would use them, I do not see any case where the director would use them unless he wanted to sell some property in which he thought they could be of assistance. If we thought they could be of assistance in selling property, we might engage them; but not to buy property.

Mr. LENNARD: Why?

Mr. RUTHERFORD: The veteran himself generally selects the property and brings it forward to us. We do not want to get too much involved in properties beforehand. The local credit advisor knows the properties which are for sale and is in a position to tell the veteran. Generally speaking, however, the veteran brings forward the property on his own.

Mr. LENNARD: If that property which he brought forward was listed with a real estate firm, would that prevent his going through with the purchase of the property?

Mr. RUTHERFORD: I do not know the nature of the contract the real estate firm would have with him; but I do know the vendor could not be sued for the commission when it is against the law to pay a commission.

Mr. ROBERTSON: Would you say that again?

Mr. RUTHERFORD: I do not think a vendor could be sued for the commission when it is against the law to pay a commission. It is a violation of section 36.

Mr. LENNARD: You mean to say that if a man came forward with certain property which met with your approval, because there was a real estate firm in the background it would be turned down?

Mr. RUTHERFORD: You have read the act, sir.

Mr. LENNARD: I am asking you.

Mr. RUTHERFORD: I do not think we would investigate too much if we thought the property was worth the money, but we would require that an affidavit be taken that no commission would be paid.

Mr. LENNARD: My thought is that this clause is out of date—very much so.

Mr. THOMAS: I would like to ask Mr. Rutherford if it is the purpose of the director of the Veterans Land Act to purchase this property in every case as cheaply as possible?

Mr. RUTHERFORD: Yes sir. It cannot be purchased at all if the price is more than the property is worth. It has always been our policy to purchase as cheaply as possible for the veteran.

Mr. THOMAS: I take it it was your purpose to purchase the property at the lowest possible price?

Mr. RUTHERFORD: Provided it is a satisfactory property for the purpose for which it is wanted. If it is, we then purchase it at the lowest possible price.

Mr. THOMAS: In your opinion, would the use of regular real estate channels add to the price?

Mr. RUTHERFORD: I am afraid I would have to say yes.

Mr. LENNARD: Not in all cases.

Mr. RUTHERFORD: I am sorry, gentlemen, that is just my opinion. I have no statistics to prove it, but I think I have to say yes to that question.

Mr. KOYL: This may have been true over the inflationary period when prices of property were going up faster than anyone realized. In other words, it could have been possible at that time to add to the price before it was on the market. I doubt that such a situation exists today. The market value is the governing price of a piece of property.

Mr. FORGIE: There have been substantial improvements in the value of land in the last two or three years for subdivision purposes.

Mr. KOYL: Yes. That is a different thing.

Mr. FORGIE: What part of the country do you come from? Is it rural or urban.

Mr. KOYL: I am from Saskatoon.

Mr. FORGIE: If you look at Toronto or up the Ottawa valley I think you will find prices have substantially increased within the last two or three years.

Mr. KOYL: I quite agree. I am very familiar with the area involved.

Mr. THOMAS: I wonder if the president of the real estate board would care to comment on that question of whether or not regular real estate channels would add to the price of land. We will assume that a seller has an irreducible figure in mind. He will go to a certain point and not below. Would the use of real estate agents tend to get him more for his property?

Mr. KOYL: I submit he would probably pay less because he has employed a good person to do his negotiations. There are no true answers to anyone's face that the price being offered must be the final price, so negotiations are carried out. We know from across the country that properties that are being sold privately are priced above the market in most cases, and that the real estate broker today does not take a listing for a property that is too far overpriced because he is sure that he is going to expend money on it and not get any return on it. Therefore, today he is in the position of turning down listings that are overpriced, and is also in the position of being a trained negotiator.

Mr. BROOME: Is it not true that if this section were deleted, you would still have two methods. In your position as director you could negotiate directly, or if a veteran finds a proposition which is a regular real estate listing, he can deal on that. On that second one he would deal only if the price met with your approval. In other words, if it were at anything greater than the market value the director would not approve of it for a V.L.A. loan.

The other corollary is that if this works for the V.L.A. there are a lot of other government departments wasting a lot of money.

Mr. KENNETH C. BINKS (*Counsel, Canadian Association of Real Estate Boards*): Mr. Chairman, the Association of Real Estate Boards is prepared to go this far on the whole question of the principle of control by the director in the administration of the Veterans Land Act. The recommendation that is embodied at the end of the brief does not, unfortunately, contain a copy of the Veterans Land Act; but on its face, when one considers the Veterans Land Act, section 36 is a black mark against the business or the dealings by real estate agents because the parliament of Canada, in effect, prohibits real estate agents having anything to do with the acquisition of land for veterans.

Now, when we examine section 41 of the act, we find, as we do in almost every statute these days, that the governor in council may, subject to the provisions of the act, make regulations prescribing a number of things. Subparagraph (b) and subparagraph (j) are ones to which I really want to call your attention.

The governor in council may make regulations prescribing the manner in which applications for the purchase and sale for veterans may be made. There is a much wider power embodied in subparagraph (j), where the governor in council may make regulations with regard to any other matter concerning which the minister deems regulations are necessary for the execution of the purposes of this act.

I say this, with respect, Mr. Chairman. The Association of Real Estate Boards is here today for a two-fold purpose. One is that there is the business aspect of it. That, however, is secondary to the other aspect. There is an aspect of principle here. We say with respect that, if the director still does not wish to employ real estate agents in the purchase of land for veterans, then there is already in section 41 a procedure whereby by making regulations he can prohibit the use of real estate agents. He already has that. That section has been there, I believe, since 1946. I think it commenced in 1942. It is the general regulation for this.

Over and above section 41, there is section 46, which takes a specific statutory objection to the employment of real estate agents. We respectfully submit he does not need to embody that in the act. He is empowered to do it by way of regulation if, in his wisdom, he wishes to do so. We do not now make any objection to that.

We do, however, strenuously object, with the greatest respect, to the stigma attached by the parliament of Canada prohibiting us in the act.

I say this subject to correction, but in the past two months I have not been able to find any country in the world which prohibits the use of real estate agents. It is an extraordinary prohibition, particularly when that power already has been given to the director by section 41. That is why we want section 31 struck out.

Mr. CARTER: Has your association made any objection to this before previous committees?

Mr. LENNARD: Oh, yes; they were here in 1945. There is nothing new at all about this.

Mr. KOYL: That was the last time we made a formal submission. We have passed resolutions at every convention since then, which asked that this be changed, but it has just been sent to Ottawa here in the form of a letter. No formal presentation has been made in that time.

Mr. BADANAT: What is the percentage of business which is affected under this legislation to which you are referring?

Mr. KOYL: I would hazard a guess that it would be under 1 per cent.

An hon. MEMBER: You would be happy if they took that regulation out and did not do any business with you?

Mr. KOYL: Yes.

Mr. LENNARD: There is a stigma attached to it.

Mr. KOYL: Yes.

Mr. LENNARD: I think it should be removed.

Mr. MACEWAN: What is your percentage rate? Is it the same—5 per cent for all of Canada?

Mr. KOYL: No; that would contravene the combines act. Every board sets its own rate. It varies between 4 per cent in Toronto to the rate of one board which is 7 per cent. Five per cent is the mean.

Mr. WEBSTER: Is that residential or rural?

Mr. KOYL: I would say 5 per cent would be the standard practically everywhere.

Mr. LENNARD: But the seller pays that premium. Is that not correct?

Mr. KOYL: Yes. As a matter of fact, that is in most of the licensing acts.

Mr. ROBINSON: Up in our district I would say we are served very well by the representative of the V.L.A. It is my opinion that 99 per cent of the time when a chap picks out a particular piece of property which he likes it is negotiated through V.L.A. and the man ends up in a very good situation. As Mr. Koyl says, it might affect 1 per cent of the business. I would be inclined to go along with the idea that it is not serving much purpose in there. He considers it as a stigma against an association which is recognized in Canada as doing a very good job.

Mr. MATTHEWS: I would like to ask if there is any record of any kind where a veteran has lost a piece of property because of this bill?

Mr. KOYL: Those statistics have never been gathered for the last five or six years. It has been completely ignored as far as any contact with the veteran is concerned. When they come to our offices we just say, "we cannot deal with you as it stands at the moment".

Mr. MATTHEWS: I was wondering if the V.L.A. could give us that information. Do they know of any case where a veteran lost a parcel of land because it was held up to such an extent that they could not get it?

Mr. RUTHERFORD: I have been trying to think, but I do not know of any cases. Mr. O'Brien is here and perhaps he could throw some light on the subject.

Mr. W. G. O'BRIEN (*District Superintendent, V.L.A., for Alberta District*): To my knowledge, I could not cite one case. Further, I would point out that the relationship between the real estate agents in the province of Alberta and our staff has been very good. From a rural approach to this problem in Alberta I would like to say that our real estate agents, in general terms, are men who run insurance agencies, and the Veterans Land Act business increases their business. Again, the majority of our people who are buying farm properties are resident farmers of an area; it is not a case of obtaining full-sized units, it is for enlarging units. Most of our business lies there, and when local farmers are selling we like to have a full knowledge of those sales.

Mr. RUTHERFORD: While the act requires that we get a certificate from the vendor that he is not paying a commission, there has never been a prosecution under section 36 of the act. I have not been Director since inception, but in the last twelve years there has not been one prosecution.

Mr. MATTHEWS: I think we should be very careful that the veterans are not hurt at any time by this ruling. That is our big worry because, so far as the real estate people are concerned, they are not worrying about any profits; it is just the fact it puts a slight spot on their character. I think we could help two groups out at once.

Mr. JUNG: Possibly some other member of the committee who has been in parliament much longer than I, or someone from the department, could answer this question: why was section 36 put in in the first place?

Mr. RUTHERFORD: It was put in long before my time. It was in the Soldier Settlement Act. Probably Mr. Holmes could answer that question.

Mr. H. R. HOLMES (*Superintendent, Securities Division, Department of Veterans Affairs*): To the best of my knowledge it was put in simply to save the veteran money. We felt that our field staff knew as much about land which was available for sale as any real estate agent. It was to save the veteran money and to make sure that the price of the land to him would not be increased by the addition of real estate fees.

Mr. BROOME: We have been discussing farms and rural areas. Have not a lot of veterans taken up small holdings near cities, in what you might call semi-urban areas? Does it not apply to land consisting of one-and-a-half acres or in that neighbourhood?

Mr. RUTHERFORD: Yes, it applies to everything under part I of the act.

Mr. BROOME: Could a person take two acres outside the city of New Westminster, say three or four miles up the Fraser valley, and come under the V.L.A.?

Mr. RUTHERFORD: Yes, if it is suitably situated and had the proper acreage, we would buy that under part I, and section 36 is applicable.

Mr. BROOME: But in those areas which are very close to cities—areas which are close to large populated centres like the Vancouver-Burnaby-New Westminster area—undoubtedly any land which is for sale will be listed with a real estate board in that area. I do not see how a person can go out and buy any property which is suitable for their purposes, which is being freely offered outside of the city of Vancouver, without digging up someone who has not offered it for sale and whose price might be fairly high, and is precluded by this section from looking at the great mass of offerings which are on the market. It seems unfair to me. I think there must be quite a few commissions which have been paid through the back door under these conditions.

Mr. LENNARD: I think that is right; either that or they have to buy on some converted dump some place.

Mr. MACEWAN: Is it not true that there is a safety valve nowadays in the legislation, and it is dealt with by the director and various officials in that the final valuation is placed on the property by the department? I asked a similar question the other day and was informed by one of the officials that the various area or district people set the valuation on the property.

Mr. RUTHERFORD: We appraise the property in all cases, and we will not put more government money in it than the appraisal indicates. If the veteran happens to like a particular piece of land and the price is more than we think it is worth, we sometimes insist that the veteran put in some of his own money. The houses about which you spoke a while ago may be built on land which the veteran has already purchased. He owns it when he comes to us; and he may have bought it through a real estate agent before he comes to us to get the money to build his house.

The CHAIRMAN: Does that complete our discussion of the brief?

Agreed.

The CHAIRMAN: If so, we would like to thank Mr. Koyl and his colleagues for appearing before us and supplying us with the information which they have.

Mr. KOYL: Mr. Chairman, Mr. Director and members of the committee, I would like to thank you for your earnest hearing today; we appreciate the time you have taken in listening to us.

The CHAIRMAN: Thank you, Mr. Koyle. The committee now has completed its consideration of the amendments to the Veterans Land Act. If I could have your co-operation, gentlemen, perhaps we should move into camera to consider our report back to the house.

Agreed.

—At this point the committee continued its meeting in camera.

—Upon resuming, in open meeting.

The CHAIRMAN: All right, gentlemen, let us go back into open session. All I have to do is ask the question. Shall the bill carry?

Agreed.

The CHAIRMAN: Shall I report the bill without amendments?

Mr. HERRIDGE: With recommendations.

Mr. THOMAS: What happened in regard to that recommendation for the change in that one clause I brought up the other day?

The CHAIRMAN: It is on the report for today. It is report No. 15.

Mr. THOMAS: Was that disposed of?

The CHAIRMAN: It will be included in our report as a recommendation. Are there any further questions?

Mr. HERRIDGE: Do I understand, Mr. Chairman, that the committee will not meet to consider the report until your return? You said you were going to be away?

The CHAIRMAN: That is correct.

—The Committee adjourned.

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